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# Financial Results Materials for the Fiscal Year Ended March 31, 2026

May 13, 2026



Daiwabo Holdings Co., Ltd.

(Securities Code: 3107)

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# Settlement of Accounts for the Fiscal Year Ended March 31, 2026

# Consolidated Financial Highlights



The fiscal year ended March 31, 2026 (April 1, 2025–March 31, 2026)

**Achieved “Challenge to break the highest in the past,” a key pillar of the MTP.  
Enhancing management resilience and accelerating momentum toward “2030 VISION.”**

Record-high  
for the second consecutive period  
**Consolidated Net Sales**

**1.3508 trillion yen**

+18.8% YoY

Record-high since FY March 2021  
**Consolidated Operating Income**

**44.1 billion yen**

+26.6% YoY

Exceeded the 52billion yen target  
**iKAZUCHI transaction volume**

**54.5 billion yen**

+34.6% YoY

Further increase from previous FY results

**ROE**  
**19.9%**

The MTP target: 14% or more

Steadily strengthened "basic earning power"

**ROIC**  
**16.9%**

The MTP target: 12% or more

Record-high  
for the second consecutive period

**EPS**  
**362.07 yen**

+90.7 yen from the previous FY

# Consolidated Financial Highlights



## Overview for the fiscal year ended March 31, 2026

### Holdings Group

- ❑ Despite increased working capital due to special demand, we heightened awareness of capital efficiency and achieved target levels for both ROE and ROIC
- ❑ Increased the year-end dividend by 5 yen for a full-year dividend of 105 yen, acquired approximately 8.0 billion yen in treasury shares, and retired approximately 7.87 million shares
- ❑ Entered into a capital and business alliance with BCC Co., Ltd. as the first step toward business expansion

### IT Infrastructure Distribution Business

- ❑ Backed by a strong collaborative framework with sales partners, steadily captured nationwide PC replacement demand associated with Windows 10 EOS and the GIGA School 2nd phase
- ❑ Taking advantage of PC demand, the cloud business centered on iKAZUCHI sustained high growth toward establishing an earnings foundation
- ❑ In addition to the corporate market, the consumer market also grew, exceeding the previous fiscal year in all markets

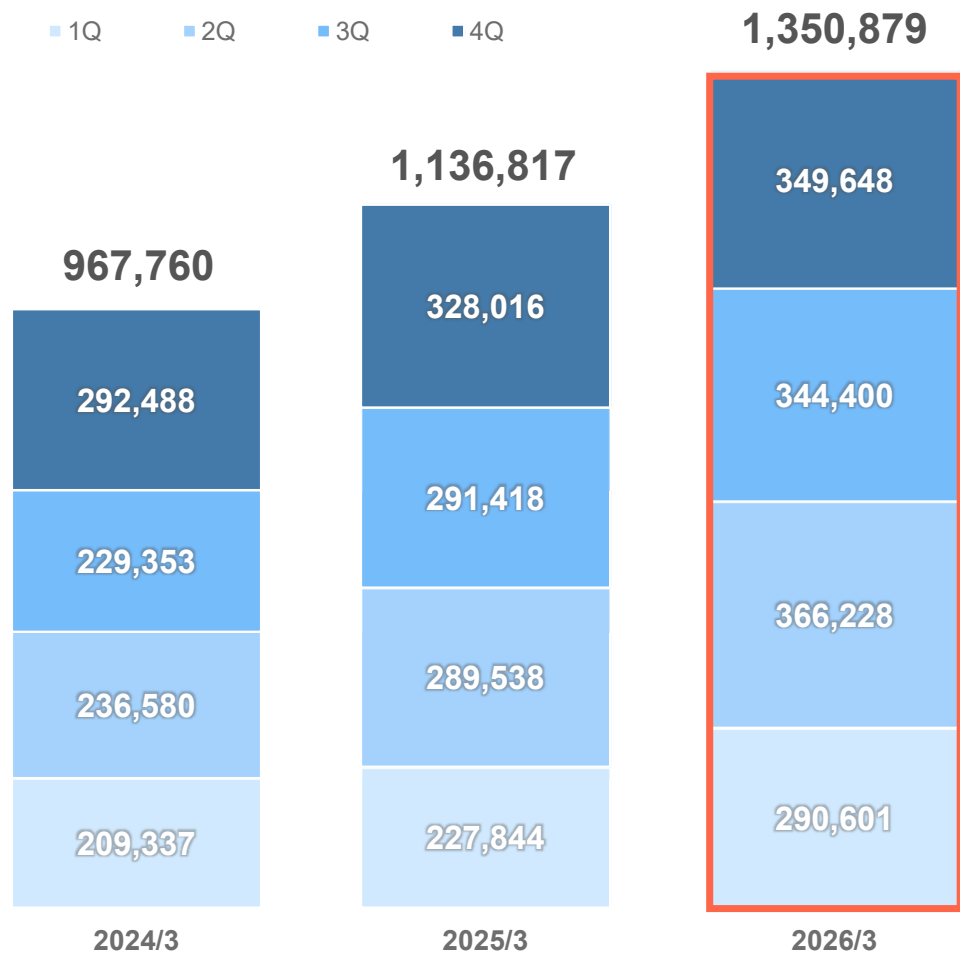
### Industrial Machinery Business

- ❑ Domestic orders increased significantly, mainly in the core aircraft industry
- ❑ Achieved increased sales and profit despite the lingering impact of ransomware attack damage that occurred last year

# FY3/26 Consolidated Net Sales



(million yen)



Net sales **1,350.8 billion yen**  
 YoY **+18.8%**

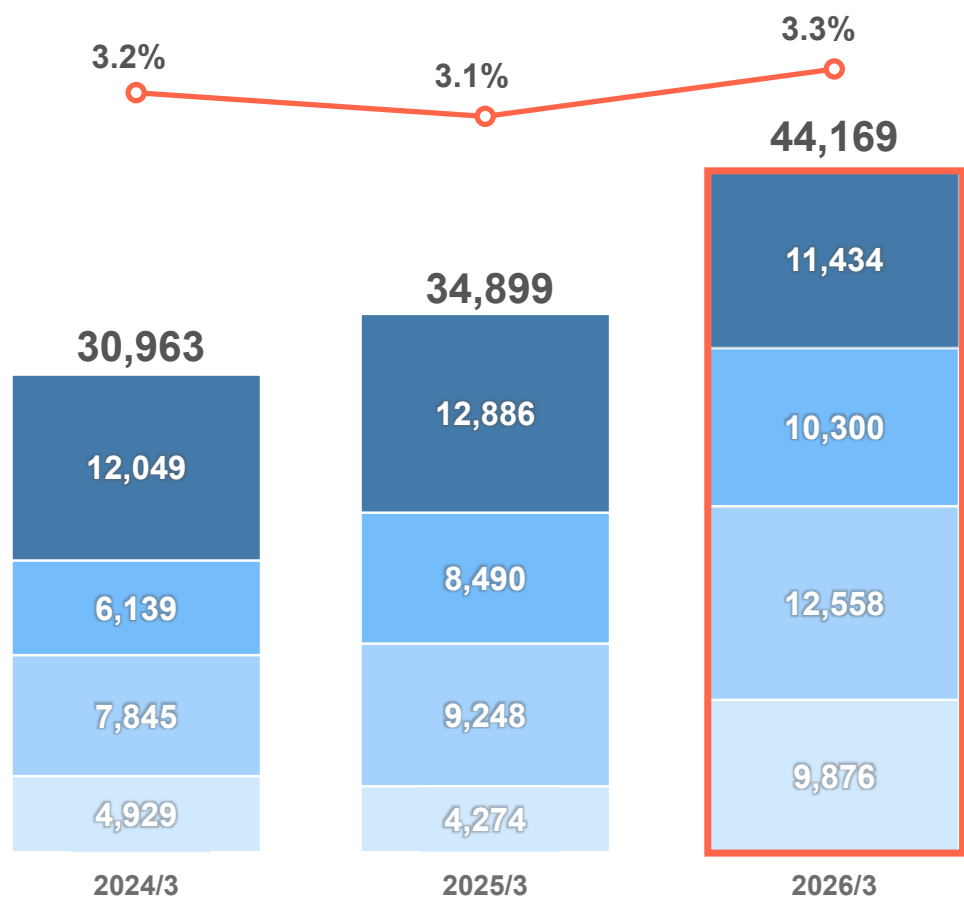
**Record-high for the second consecutive period**

# FY3/26 Consolidated Operating Income



(million yen)

■ 1Q ■ 2Q ■ 3Q ■ 4Q ○ operating income margin



Operating income **44.1 billion yen**

YoY **+26.6%**

Operating profit margin **3.3%**

**Far exceeding the ¥35.0 billion in FY3/21**  
**Achieving record-high operating income**

# Consolidated Results of Operations



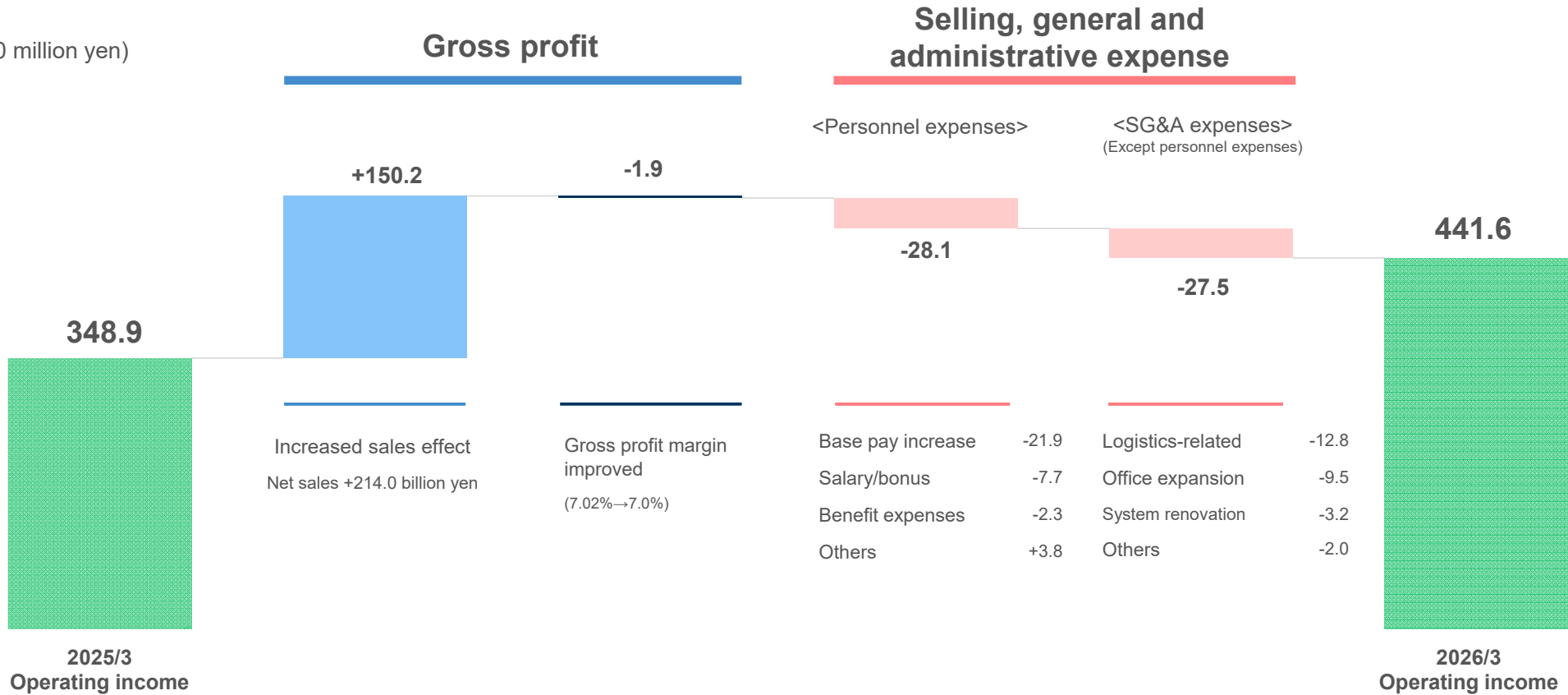
(million yen)	2025/3	2026/3	Change	YoY	Forecasts (Revised on 6/Nov)		Initial Plan	Change
Net sales	1,136,817	1,350,879	+214,062	+18.8%	1,337,000	+1.0%	1,265,800	+6.7%
Operating income	34,899	44,169	+9,269	+26.6%	45,000	-1.8%	38,500	+14.7%
Ordinary income	35,454	44,943	+9,488	+26.8%	45,300	-0.8%	38,800	+15.8%
Profit attributable to owners of parent	24,751	32,030	+7,279	+29.4%	30,800	+4.0%	26,700	+20.0%
Earnings per share (yen)	271.37	362.07	+90.7	+33.4%	346.04	+4.6%	297.26	+21.8%

	2025/3	2026/3
Return on Equity (ROE)	16.8%	19.9%
Return on Assets (ROA)	8.4%	10.0%
Operating profit margin	3.1%	3.3%

# Consolidated Operating Income Actual Results Trends

- Gross profit increased significantly YoY due to effects of higher sales
- The SG&A expense, including base pay and logistics-related cost increased, progressed as planned

(100 million yen)



## Consolidated Financial Position and Cash Flows

(million yen)	2025/3	2026/3	Change	Reasons for change
<b>Total assets</b>	<b>440,122</b>	<b>462,072</b>	+21,950	Increase in trade receivables and inventories
<b>Net asset</b>	<b>152,310</b>	<b>169,829</b>	+17,518	Increased retained earnings
<b>Equity capital ratio</b>	<b>34.6%</b>	<b>36.8%</b>	+2.2%	Increased retained earnings
Book value per share (yen)	1,693.24	1,954.00	+260.76	

(million yen)	2025/3	2026/3	Increase/Decrease
<b>Cash flows from operating activities</b>	<b>5,909</b>	<b>14,569</b>	+8,659
<b>Cash flows from investing activities</b>	<b>(2,588)</b>	<b>(6,177)</b>	(3,589)
<b>Cash flows from financing activities</b>	<b>(17,402)</b>	<b>(19,662)</b>	(2,259)
<b>Cash and cash equivalents at end of year</b>	<b>55,221</b>	<b>43,852</b>	(11,368)

Cash flows from operating activities	5,909 →	<b>14,569</b>	+8,659	Increased in net income
Cash flows from financing activities	(2,588) →	<b>(6,177)</b>	(3,589)	Upgrade of DIS core system

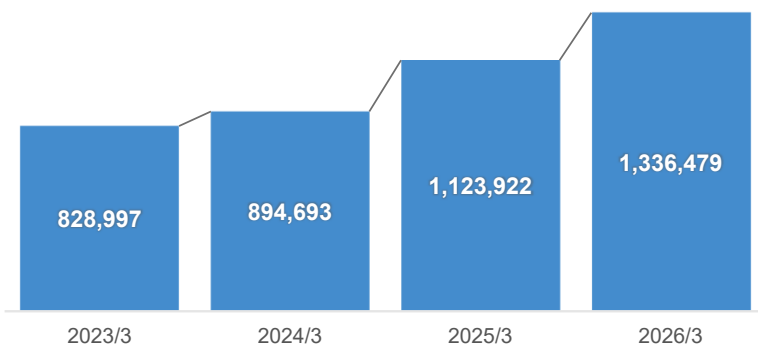
# Results by Segment

- Net sales increased in both segments due to growth in sales performance
- Operating income increased in both segments, driven by the effect of higher sales in the IT Infrastructure Distribution Business, and in the Industrial Machinery Business, by higher sales combined with growth in highly profitable service sales

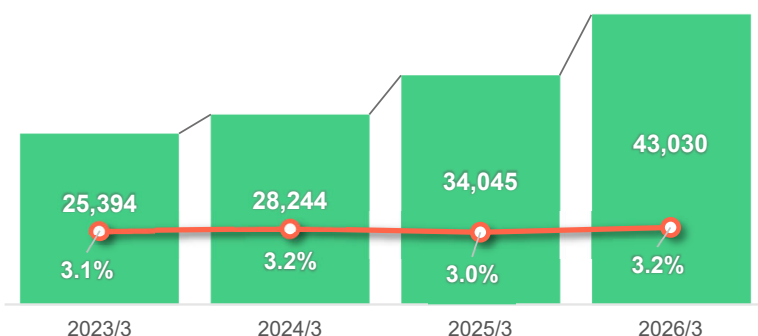
(million yen)		2025/3	2026/3	Change	YoY
<b>Net sales</b>	IT Infrastructure Distribution	1,123,922	<b>1,336,479</b>	+212,556	+18.9%
	Industrial machinery	12,895	<b>14,400</b>	+1,505	+11.7%
	<b>Total</b>	1,136,817	<b>1,350,879</b>	+214,062	+18.8%
<b>Operating income</b>	IT Infrastructure Distribution	34,045	<b>43,030</b>	+8,984	+26.4%
	Industrial machinery	852	<b>1,127</b>	+274	+32.3%
	(Adjustments and eliminations)	1	11	+10	
	<b>Total</b>	34,899	<b>44,169</b>	+9,269	+26.6%

# IT Infrastructure Distribution Business

(million yen)



■ Net Sales ■ Operating Income ■ Operating profit Margin



Transaction volume \*Based on former accounting standard

**1,428,365 million yen** (+18.3% YoY)

Net sales

**1,336,479 million yen** (+18.9% YoY)

Operating income

**43,030 million yen** (+26.4% YoY)

PC shipments

**6.54 million units** (+67.9% YoY)

Servers shipped

**50 thousand units** (-18.4% YoY)

iKAZUCHI handling volume

**54,570 million yen** (+34.6% from the previous fiscal year)

## Business Overview

### Corporate market

( component ratio )  
**93.1%**

- In the first half, corporate PC demand associated with Windows10EOS remained strong. From 3Q onward, shipments for the education sector peaked due to GIGA School 2<sup>nd</sup> Phase, resulting in record-high PC shipments
- The number of servers shipped decreased due to pullback of large-scale projects in the previous fiscal year
- iKAZUCHI successfully captured cloud migration demand through bundled proposals accompanying PC upgrades. Significantly increased from the previous fiscal year, contributing to business performance
- Operating profit margin improved due to a decrease in the SG&A to sales ratio

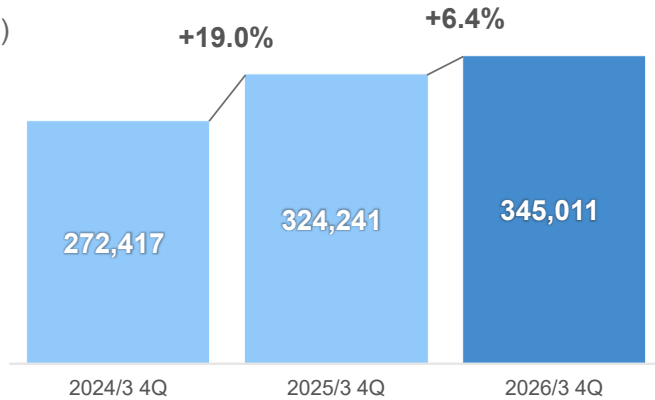
### Consumer market

( component ratio )  
**6.9%**

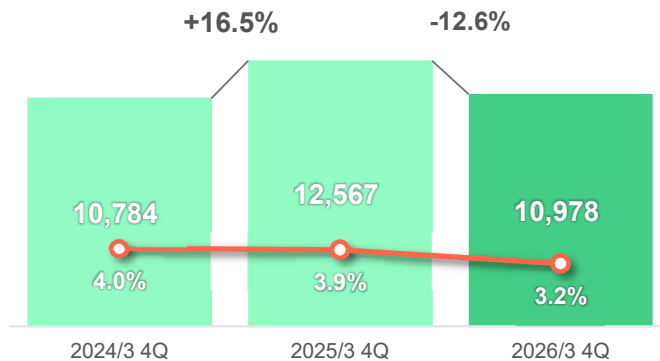
- Expanded sales opportunities by collaborating with manufacturers to promote store layouts centered on AI PCs
- In the second half, in addition to Windows10EOS demand, a last-minute surge in demand ahead of price increases due to rising memory prices emerged, resulting in increased sales and profits across the entire consumer division

# IT Infrastructure Distribution Business 4Q (January-March) Comparison

(million yen)



■ Net Sales ■ Operating Income ■ Operating profit Margin



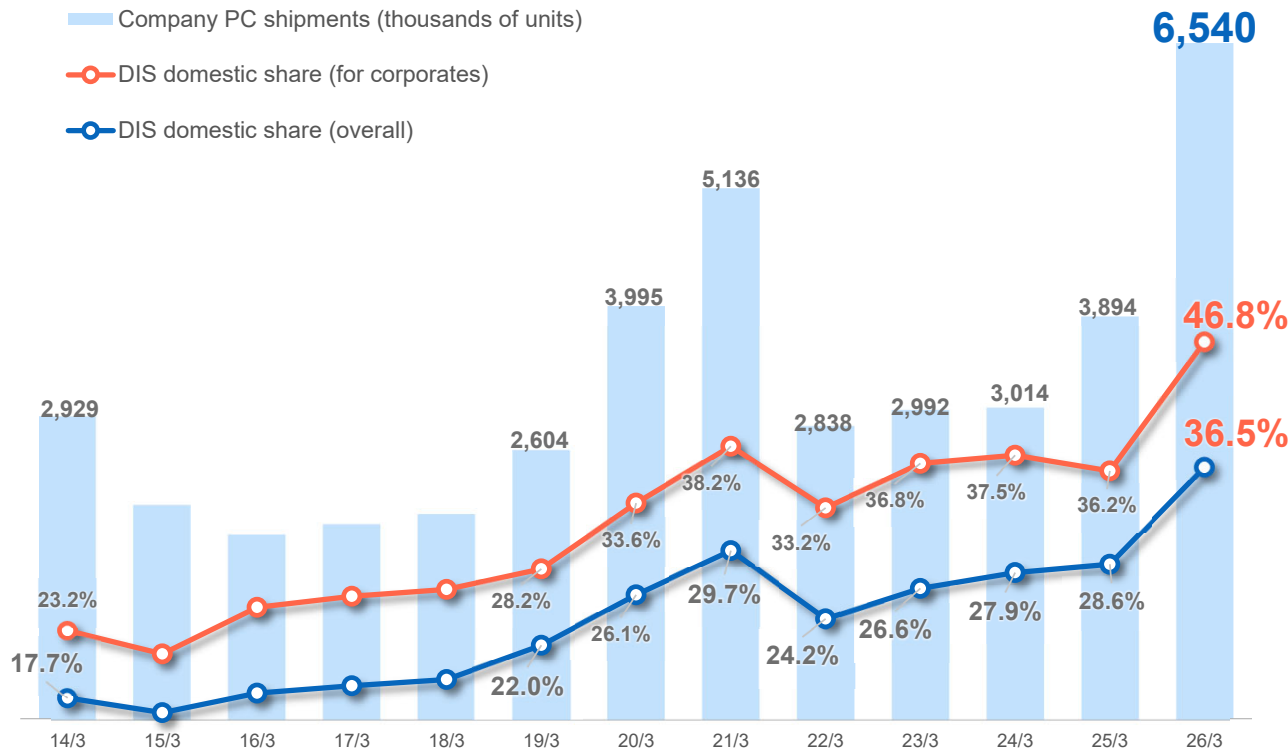
## 4Q Performance results comparison (QoQ)

- PC shipments +20.6%** (1.443 million units)  
 Net sales increased, exceeding the high level of 4Q net sales in the previous fiscal year due to Windows update demand. Secured remaining Windows10 EOS demand and the GIGA School demand by leveraging a collaboration framework with sales partners at each sales location
- iKAZUCHI transaction volume +23.9%**  
 Bundled proposals accompanying PC replacement demand were successful, with contracted services exceeding 160,000 (+16.4%) in 4Q, and end users reaching approximately 120,000 companies (+19.5%), continuing high growth
- Server Transaction (12.8%)**  
 While maintaining high-level performance, decreased year-on-year due to the pullback from large-scale projects in the previous fiscal year. In 4Q, unit prices surged due to rising memory prices, and procurement difficulties occurred in some areas; we are closely monitoring the situation going forward
- Due to the sharp rise in PC and server costs caused by soaring memory prices since the end of last year, price pass-through was insufficient in some cases, pushing down gross profit margin and operating profit margin in 4Q.

# Domestic PC market share



## Involved in more than 1 in 3 PCs for corporate use



\*Calculated based on the results of a survey by MM Research Institute (FY3/26 is based on a preliminary report from the research company, so the published share figures may be revised)

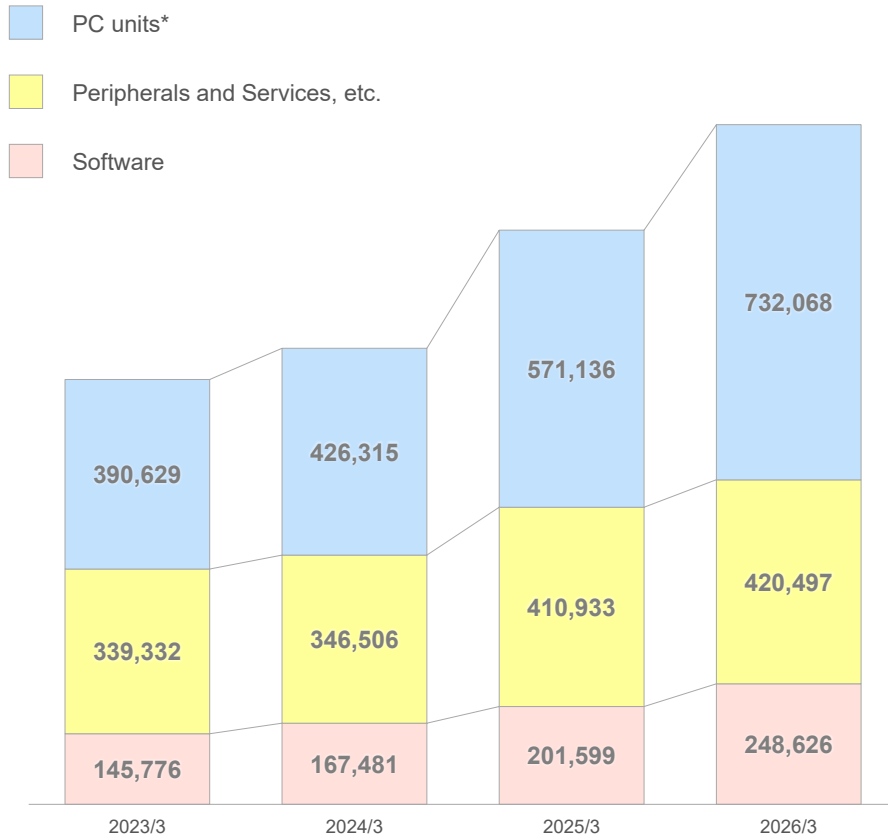
## Highlights in this fiscal year

- Annual PC shipments **6.54 million units (+67.9%)**  
Captured Windows 10 EOS and peak GIGA School 2<sup>nd</sup> Phase replacement demand, resulting in a significant increase from the previous fiscal year
- Domestic corporate market share **46.8%**  
Our unique advantages were demonstrated, including our nationwide sales office network, collaboration with sales partners across regions, stable product supply capabilities, and bundled proposals including software, capturing strong PC demand that surged simultaneously nationwide. Significantly expanded market share
- AI PC Trends  
AI PC adoption accounts for 5.3% for corporate market shipments (excluding GIGA) Opportunities for AI utilization at each company increased from the previous period, and measures to capture demand were strengthened

# Results by Product Category

(million yen)

<DIS Transaction Volume Trends by Category>



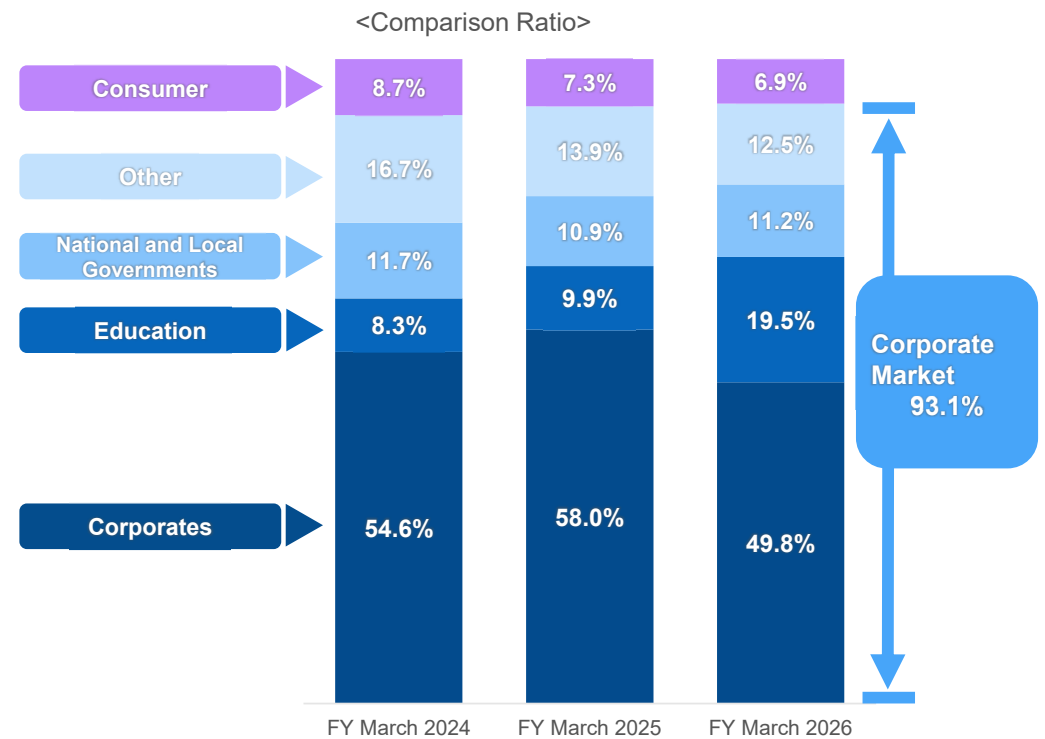
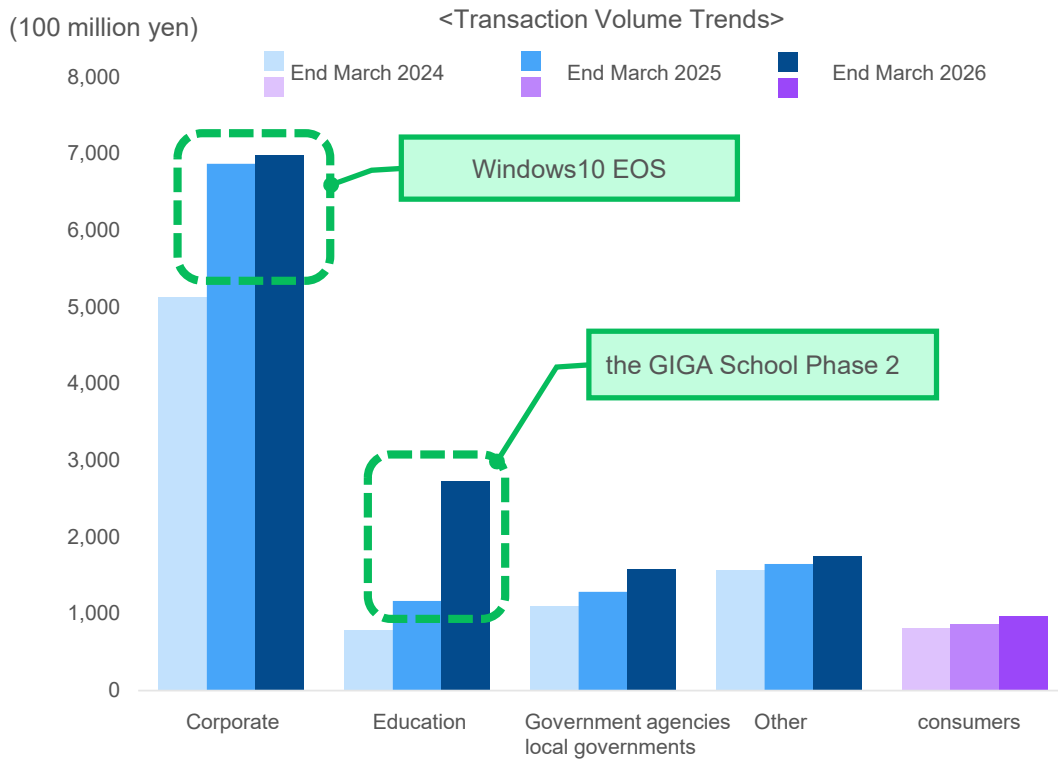
## FY3/26 Results (Transaction Volume YoY)

- PC units\*, etc.
  - PC...Significant increase due to Windows 10 EOS and the GIGA School (+28.8%)
  - Tablet...Significant increase due to the GIGA School (+96.9%)
  - Server...Decreased due to pullback from large-scale projects in the previous fiscal year (-9.7%)
- Peripherals and Services, etc.
  - Network...Increase in demand for security measures (+3.7%)
  - Storage...Significant decrease (-14.4%) due to pullback from large-scale projects in the previous fiscal year.
  - Service & Support (+8.2%) and Supplies, etc. (+3.7%) increased due to cross-selling with Windows10 EOS and the GIGA School
- Software, etc.
  - iKAZUCHI transaction volume (+34.6%)
  - Cloud services...Significant increase driven by cloud migration promotion accompanying Windows10 EOS and increase in Microsoft 365 Copilot, etc. (+53.6%) \*\*
  - IaaS/PaaS...AWS, Azure, etc. also expanded steadily with significant increase (+32.6%)

\* PC units = PC, server, tablet, smartphone and other device units  
 \*\* iKAZUCHI transaction volume is included in the cloud services figure

# Transaction Volume Trends by End Users

- For corporates, captured strong demand from Windows10 EOS. For the education sector, captured substantial demand from GIGA School Phase 2, achieving significant growth
- For government agencies, in addition to investment projects from local governments, secured large-scale projects from central government agencies, resulting in an increase from the previous fiscal year
- Transaction volume exceeded the previous period across all markets



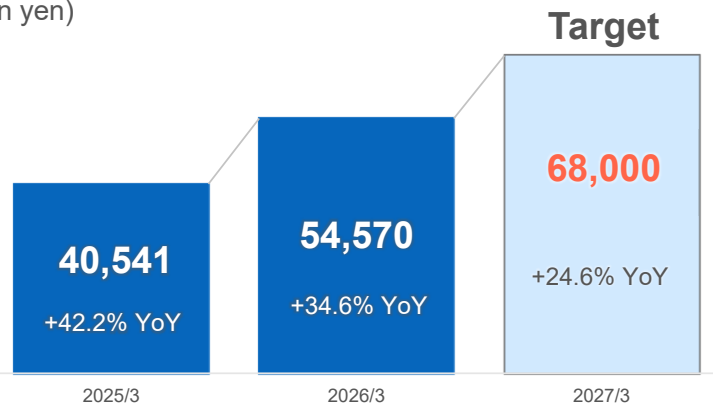
\*Other... Total of small-scale transactions in the Corporate Market (including all of corporates, education, and government agencies and local governments)

# Transaction volume through iKAZUCHI

## Transaction Volume Using iKAZUCHI

Total sales to sales partners through the subscription management portal “iKAZUCHI” (software category)

(million yen)



### Number of Vendors and Services

137 vendors  
258 services  
(as of 2025/3)



147 vendors  
291 services  
(as of 2026/3)

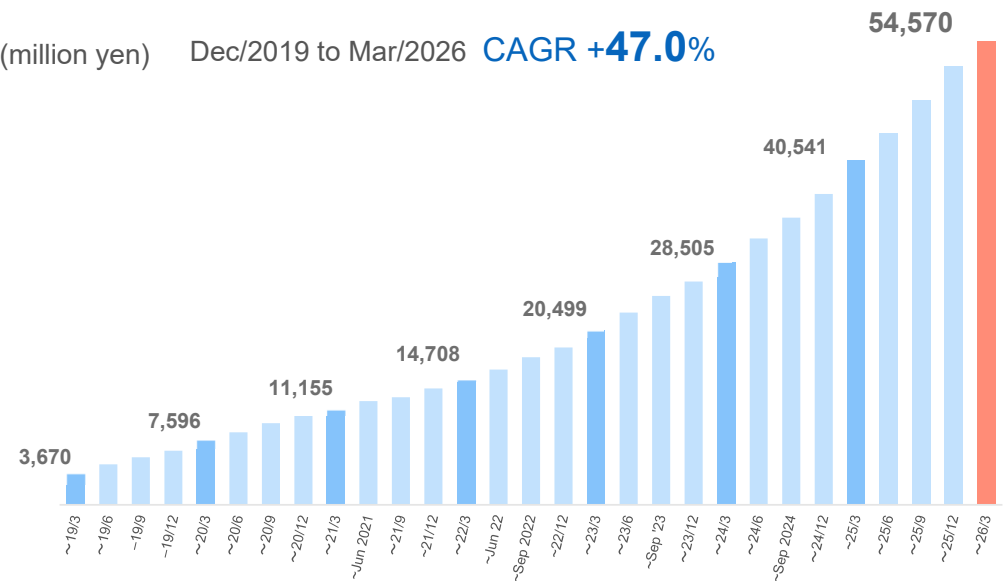
Strengthening the “Foundation” of Recurring Business  
Steady progress toward annual targets



## ■iKAZUCHI

Trends in 12-Month Cumulative Transaction Volume (considering annual billing, etc.)

(million yen) Dec/2019 to Mar/2026 CAGR +47.0%



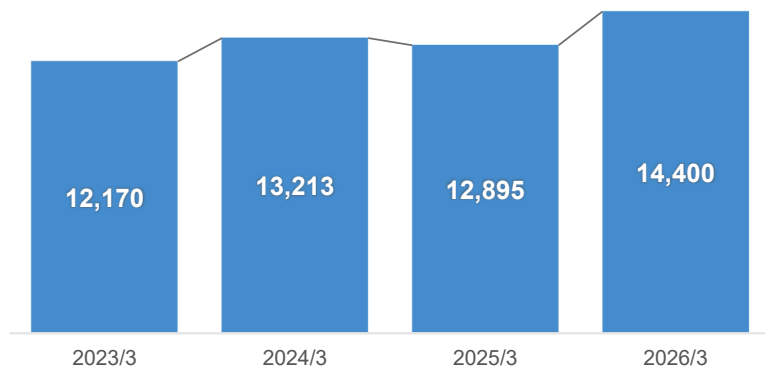
### iKAZUCHI Growth Trajectory

As the high purchasing of the annual payment, steady growth can be confirmed by looking at trends in the cumulative 12 months instead of quarterly.

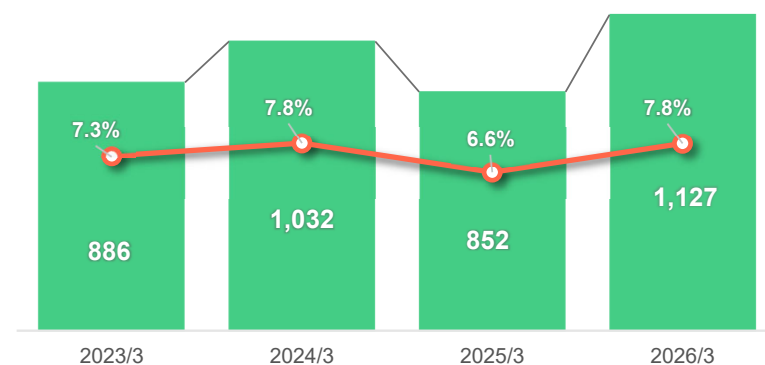
# Industrial Machinery Business



(million yen)



■ Net Sales ■ Operating Income ■ Operating profit Margin



Net sales

**14,400 million yen** (+ 11.7% YoY)

Operating income

**1,127 million yen** (+ 32.3% YoY)

## Business Overview

### Machine tools division

- Total orders from April to March according to the Japan Machine Tool Builders' Association (JMTBA) increased by 12.9% from the previous fiscal year
- Orders has been received continuously from the shipbuilding and energy industries in addition to the mainstay aircraft industry, with domestic orders increasing by 59.2% year on year. Overseas orders decreased by 12.6% from the previous fiscal year due to declines in orders for China and the U.S.
- Inventory machines were increased for the short lead time sales strategy. Furthermore, workforce was expanded in preparation for maintenance demand accompanying the recovery of the aircraft and energy industries, and increased overhaul demand for railways
- In addition to recording sales of large machines, service sales such as overhauls and maintenance increased, resulting in increased net sales and profit

### Automatic Machinery Division

- Labor-saving demand continued and orders increased by 2.4% from the previous fiscal year
- In addition to exhibiting at trade shows, workforce was expanded to strengthen the structure for promoting high-margin service projects
- In addition to recording large-scale projects in Q4, profitability improved, resulting in increased revenue and profit

# Consolidated Balance Sheet (P4-5 on brief of consolidated settlement of account)



(million yen)	2025/3	2026/3	Change		2025/3	2026/3	Change
<b>Current Assets</b>	407,778	<b>426,508</b>	+18,730	<b>Current Liabilities</b>	267,779	<b>278,035</b>	+10,256
Cash and time deposits	55,421	<b>45,152</b>	-10,268	Notes and accounts payable	228,422	<b>234,698</b>	+6,275
Trade notes and accounts receivable	288,495	<b>302,472</b>	+13,976	Short-term loans payable	8,904	<b>10,904</b>	+2,000
Goods and products	45,495	<b>58,720</b>	+13,225	<b>Non-current liabilities</b>	20,032	<b>14,208</b>	(5,824)
<b>Tangible fixed assets</b>	11,252	<b>12,555</b>	+1,302	Long-term Debt	11,799	<b>7,465</b>	(4,334)
<b>Intangible Fixed Assets</b>	4,973	<b>6,351</b>	+1,378	<b>Total Liabilities</b>	287,811	<b>292,243</b>	+4,431
<b>Investments and Other Assets</b>	16,117	<b>16,657</b>	+539	<b>Total Net Assets</b>	152,310	<b>169,829</b>	+17,518
				Treasury share	(15,088)	<b>(4,288)</b>	+10,799
<b>Total assets</b>	440,122	<b>462,072</b>	+21,950	<b>Total liabilities and shareholders' equity</b>	440,122	<b>462,072</b>	+21,950

Cash and time deposits	55,421	→	<b>45,152</b>	(10,268)	Acquisition of treasury shares, DIS capital investment
Working capital (trade receivables + inventories - trade payables)	109,015	→	<b>129,914</b>	+20,899	Increase in transaction volume due to PC special demand (Windows10EOS + GIGA)
Treasury share	(15,088)	→	<b>(4,288)</b>	+10,799	Retirement of treasury shares

# Consolidated Statement of Operations

(P6 on brief of consolidated settlement of account)



(million yen)	2025/3		2026/3		Change	YoY
	Actual results	Rate	Actual results	Rate		
<b>Net sales</b>	1,136,817		<b>1,350,879</b>		+214,062	+18.8%
Gross profit	79,796	7.0%	<b>94,628</b>	<b>7.0%</b>	+14,832	+18.6%
the SG&A expense	44,896	3.9%	<b>50,458</b>	<b>3.7%</b>	+5,562	+12.4%
<b>Operating income</b>	34,899	3.1%	<b>44,169</b>	<b>3.3%</b>	+9,269	+26.6%
<b>Ordinary income</b>	35,454	3.1%	<b>44,943</b>	<b>3.3%</b>	+9,488	+26.8%
Extraordinary gains	536		<b>270</b>		(265)	(49.5%)
Extraordinary loss	1		<b>540</b>		+539	+47084.9%
<b>Profit attributable to owners of parent</b>	24,751	2.2%	<b>32,030</b>	<b>2.4%</b>	+7,279	+29.4%

Extraordinary gains

Gain on liquidation due to completion of liquidation of Suzhou Daiwa Knitting Garment Co., Ltd.

Extraordinary loss

Loss on sale due to completion of transfer of Daiwabo Co., Ltd. shares (15%) (489 million yen) and other

# Performance Forecasts for the Fiscal Year Ending March 31, 2027

# Performance Forecasts for the Fiscal Year Ending March 31, 2027

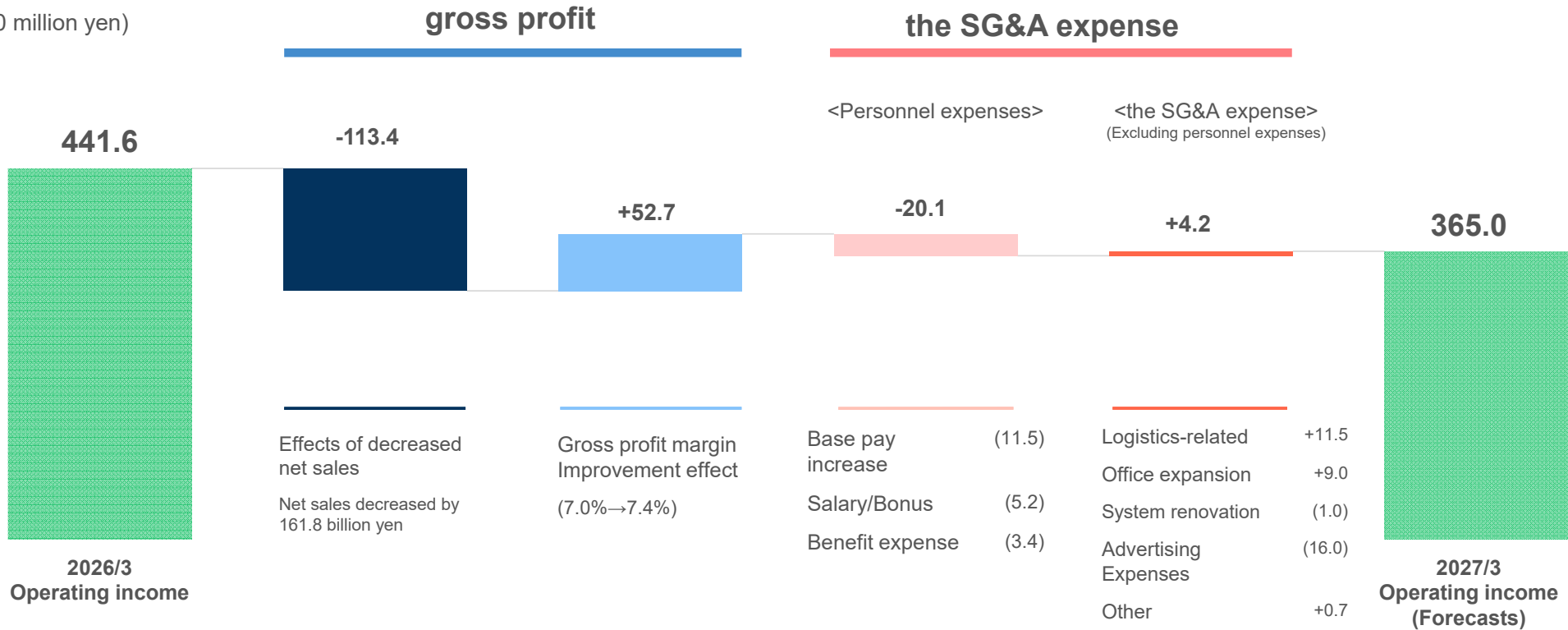


(million yen)	2026/3 (Actual results)		2027/3 (Forecasts)		Change	YoY
<b>Net sales</b>	1,350,879	margin	<b>1,189,000</b>	margin	(161,879)	(12.0%)
IT Infrastructure Distribution	1,336,479		<b>1,174,500</b>		(161,979)	(12.1%)
Industrial machinery	14,400		<b>14,500</b>		+99	+0.7%
<b>Operating income</b>	44,169	3.3%	<b>36,500</b>	3.1%	(7,669)	(17.4%)
IT Infrastructure Distribution	43,030	3.2%	<b>35,000</b>	3.0%	(8,030)	(18.7%)
Industrial machinery	1,127	7.8%	<b>1,500</b>	10.3%	+372	+33.1%
<b>Ordinary income</b>	44,943	3.3%	<b>36,700</b>	3.1%	(8,243)	(18.3%)
<b>Profit attributable to owners of parent</b>	32,030	2.4%	<b>25,300</b>	2.1%	(6,730)	(21.0%)
<b>Earnings per share (yen)</b>	362.07		<b>291.09</b>		(70.98)	(19.6%)

# Operating Income Forecasts Trends

- While the negative impact on gross profit, decreased 11.34 billion yen, the improvement in gross profit margin will contribute 5.27 billion yen to income growth.
- Personnel expenses are planned to increase by 2.01 billion yen due to the promotion of human capital investment.
- As PC shipments are expected to decrease, costs related to logistics will also decrease from the previous year, with advertising expenses planned for trade name change.

(100 million yen)



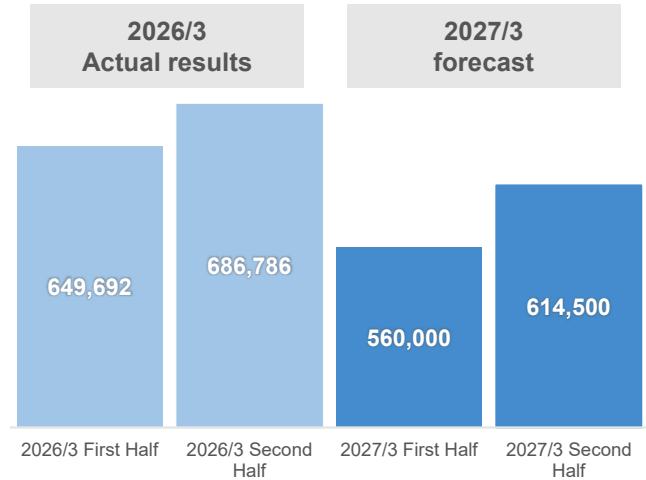
# Important topics for performance forecasts

- ❑ Important topics we assume that may affect on the performance forecast, were described as of May 2026
- ❑ The performance forecasts was formulated based on information available at this time, taking into account the following matters
- ❑ If circumstances change, information will be revised as appropriate

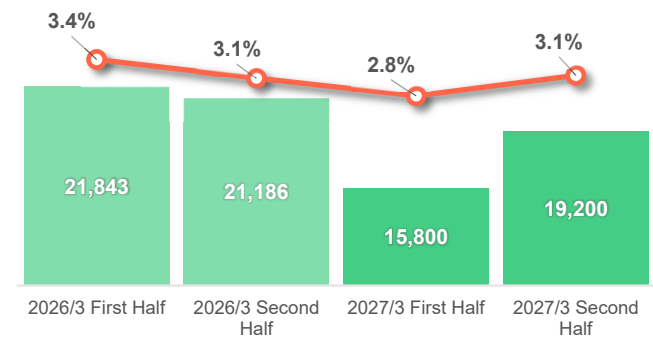
	Overview	Impact on performance forecasts for the fiscal year ending March 2027
<b>Pullback due to the special PC demands in previous fiscal year</b>	<ul style="list-style-type: none"> <li>• Pullback from Windows10EOS demand (approximately 900,000 units)</li> <li>• Pullback after the peak out from GIGA School 2nd phaze</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in sales of approximately 200 billion yen due to a pullback from special demand</li> </ul>
<b>Soaring memory prices</b>	<ul style="list-style-type: none"> <li>■PC               <ul style="list-style-type: none"> <li>• PC prices have risen 20% to 30% since April 2026</li> <li>• No issues in terms of supply at present</li> </ul> </li> <li>■Server               <ul style="list-style-type: none"> <li>• Adding GPUs to configurations increases memory capacity, resulting in significant price increases and delivery delays</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>■PC               <ul style="list-style-type: none"> <li>• Although there is an impact from consumers holding off on purchases due to rapid price increases, the situation would be positive in the short term</li> </ul> </li> <li>■Server               <ul style="list-style-type: none"> <li>• Delivery delays are already occurring and are a negative factor</li> </ul> </li> </ul>
<b>Concerns about crude oil supply due to worsening situation in the Middle East</b>	<p>Anticipated impact</p> <ul style="list-style-type: none"> <li>• Run-up in logistics and transportation costs</li> <li>• Rise in product purchase prices (cost)</li> <li>• Supply chain disruptions and delivery delays</li> <li>• Sales decline due to reduction or freezing of IT investment budgets</li> </ul>	<p>The following concerns are anticipated but excluded from our forecasts at this time</p> <ul style="list-style-type: none"> <li>• Direct impact on the IT product supply chain is limited</li> <li>• Concerns about procurement instability for petroleum-derived components</li> <li>• Due to macro environment changes such as interest rate and foreign exchange fluctuations due to geopolitical instability, close attention will be paid to the resulting curbs on corporate capital investment budgets.</li> </ul>
<b>Impact of advanced AI technology on various services</b>	<ul style="list-style-type: none"> <li>• As AI models and AI agents become more advanced, traditional function-specific SaaS may lose their reason for existence Such a scenario</li> </ul>	<ul style="list-style-type: none"> <li>• While there are concerns about a decline in demand for existing SaaS due to advantage of AI services, this represents an opportunity for winning new business areas</li> <li>• Operational efficiency through AI utilization, as well as investment in “Data Governance” and “Security” are expected.</li> </ul>



(million yen)



■ Net Sales ■ Operating Income ■ Operating profit Margin



## 1 Deepening core areas as a leading company

- Restraining the decline due to pullback from special demand (capturing remaining demand from the AI PC market and the GIGA School 2<sup>nd</sup> Phase )
- Growth in next-generation infrastructure business areas (managed service proposals aimed at reducing IT operational burden)

## 2 Expanding market share in the cloud domain, a growth area

- Strengthening the growth foundation in the IaaS/PaaS domain (proposals for AWS/Azure/Google Cloud)
- Expanding SaaS market share (strengthening promotion of services listed on iKAZUCHI)

## 3 Strengthening sales partner relationships through DX promotion

- Improving sales partners productivity (supporting resolution of engineer shortages through original service offerings)
- Business area expansion through deployment of advanced technologies (developing overseas vendors not yet deployed domestically)

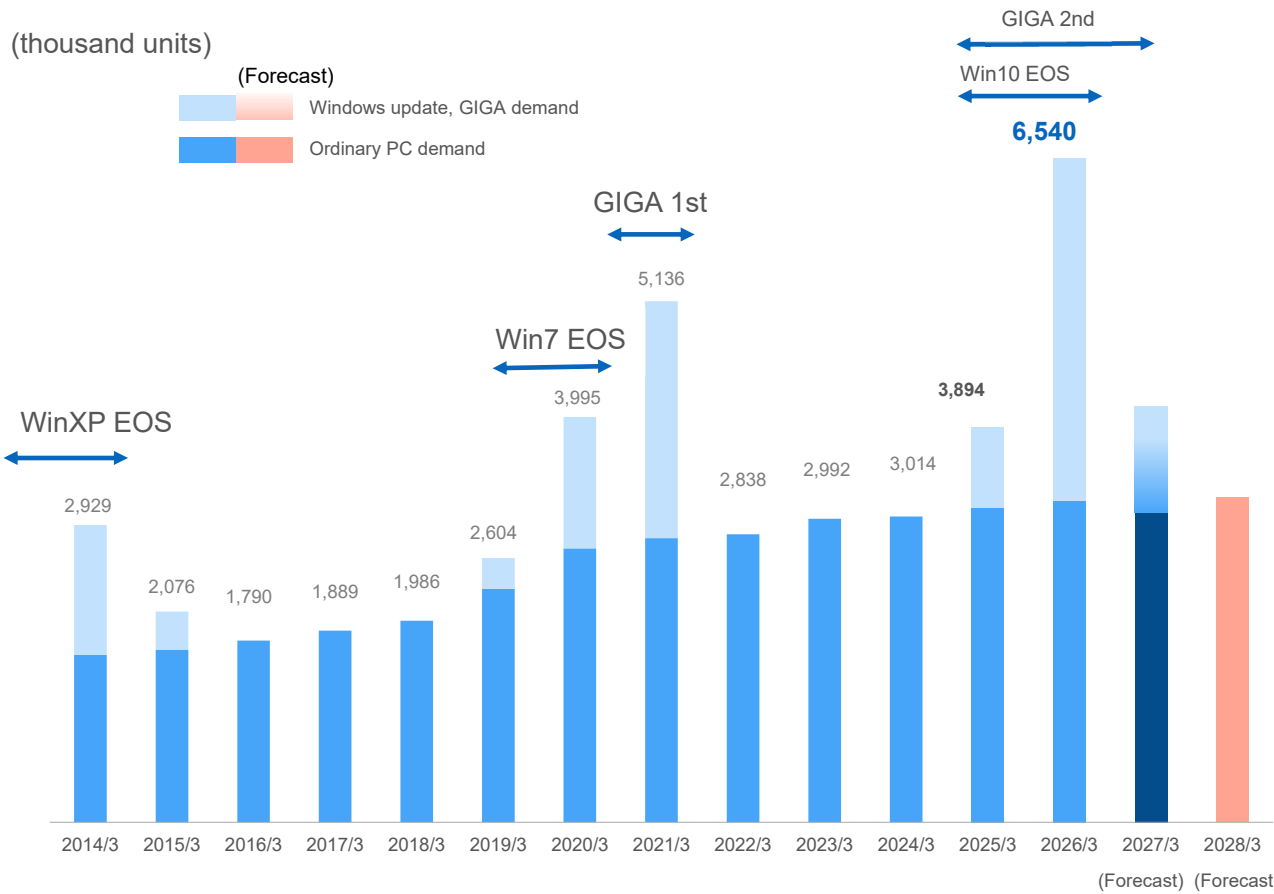
## 4 Implementation of strategic investment

- Investment for business strengthening (consideration of the next system)
- Investment for industry optimization (consideration of next-generation logistics strategies aimed at improving efficiency across the entire IT distribution industry, etc.)

## 5 Corporate branding that enhances DIS value

- Rebuilding the corporate brand (promoting rebranding project including company name change)
- Raising public awareness of DIS (expanding communications through media utilization)

# PC shipments trends



## PC Shipment Status

- In FY March 2027, Windows renewal demand will end, and sales in corporates market will decrease by approximately 900,000 units compared to previous year.

## the GIGA School Phase 2 Device Renewal

- It is assumed that there is a demand for approximately 10 million units nationwide from FY March 2025, to FY March 2027, and approximately 70% have already been updated
- Targeting a transaction volume of approximately 60 billion yen in FY March 2027, including PCs, tablets, and related products and services
- Bidding for FY March 2027 is progressing sequentially, but GIGA-eligible terminals are also rising in price due to soaring memory prices. Deliveries may be delayed going forward, and we are monitoring the situation in cooperation with sales partners

## PC Market Forecast for FY March 2028 and Beyond

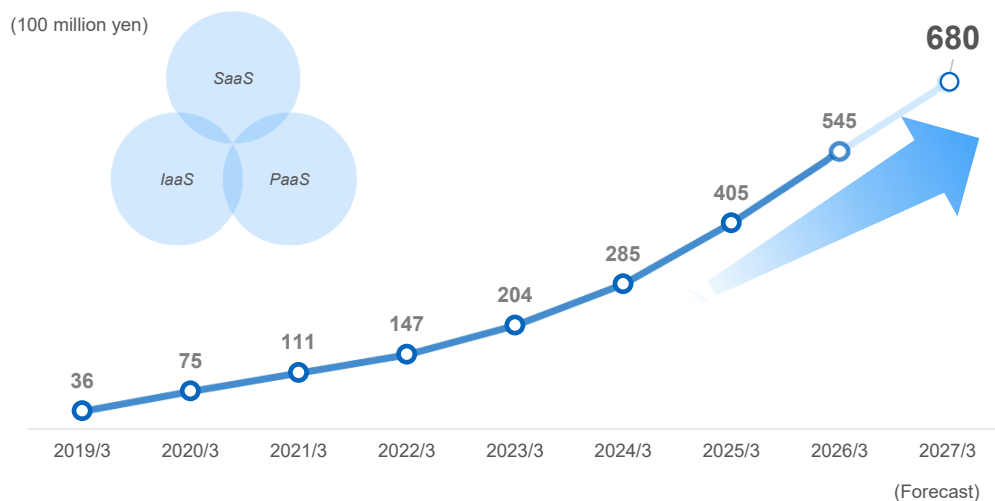
- Solid demand is expected to continue against the backdrop of corporate DX investment, and market penetration of AI PCs is anticipated
- Attention must be paid to rising IT product unit prices due to memory prices and high crude oil prices, and the accompanying decline in demand

# Trends in Sales Targets via iKAZUCHI (Thunder) and Number of Registered Dealers

## iKAZUCHI Transaction volume

Total revenues to sales partners through Subscription management portal "iKAZUCHI"

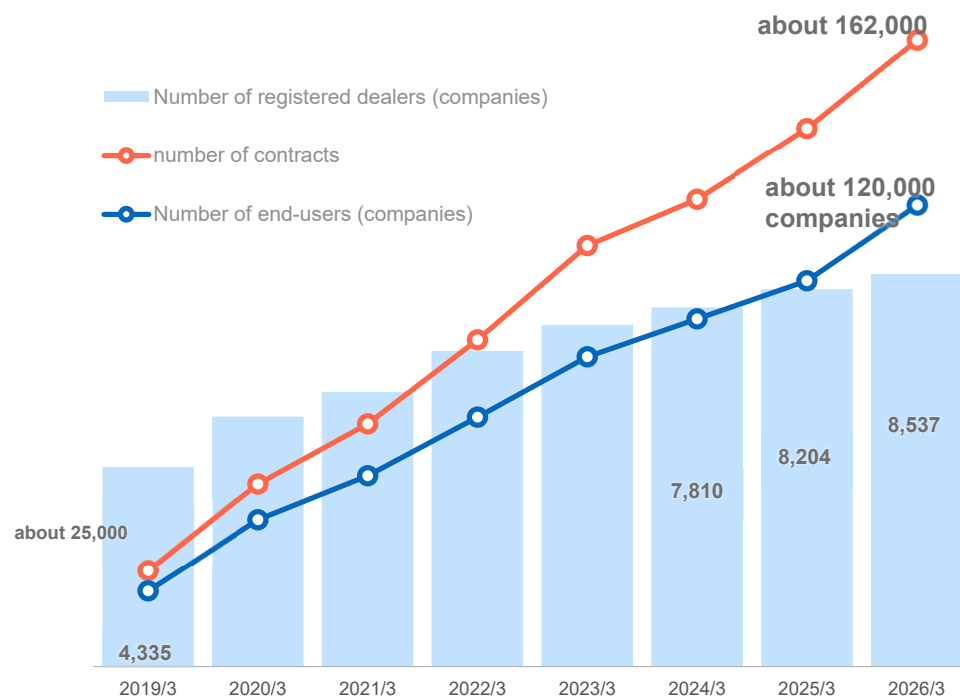
Targeting CAGR growth of **30% or more** during the MTP



Strengthening the "Foundation" of Recurring Business  
Steady progress toward annual targets



## Trends in the Number of Registered Sales Partners



Number of supported vendors



## 1 Efforts to expand sales in machine tools division

(million yen)

- Strengthening inventory sales strategy (expanding short lead time sales in U.S. and China markets)
- Developing overseas markets (market research in promising Asian regions)
- Continued development and commercialization of high-precision vertical lathes (for aircraft and energy industries)
- Capturing replacement demand in major domestic industries

## 2 Capturing earnings improvements in automatic machinery division

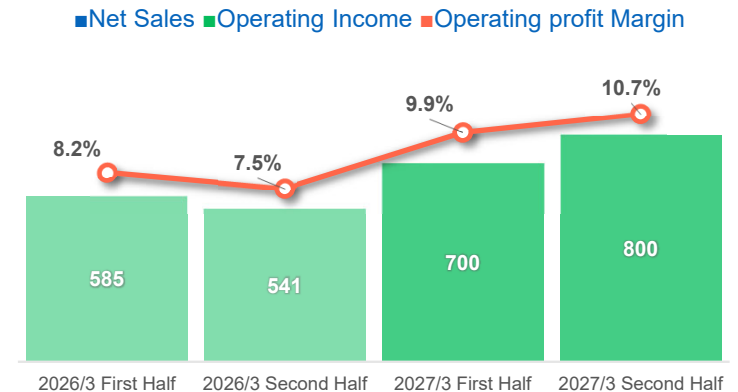
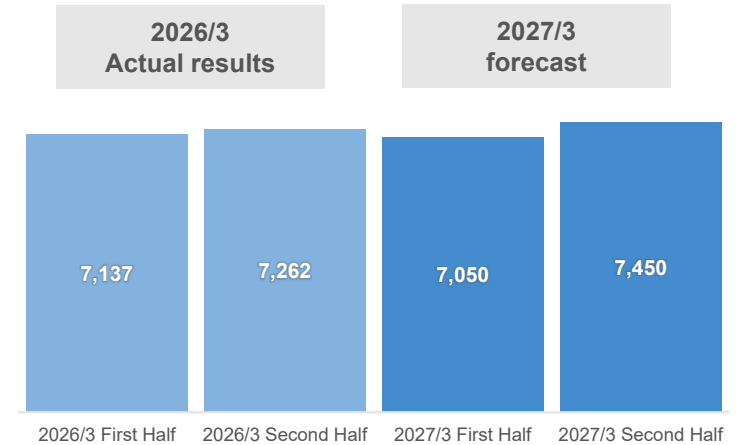
- Optimizing production planning (continuing appropriate order risk assessment)
- Improving market competitiveness (strengthening case packer sales, promoting new model development)
- Advancing proposal-based sales based on customer needs (for food, confectionery, and pharmaceutical industries)

## 3 Strengthening profitability by reinforcing the service structure

- Proposing overhauls for installed products
- Finding cooperative enterprises for service support

## 4 Promotion of Human Resource Education

- Improving technical capabilities through expanded skills training
- Strengthening the sales foundation to achieve both the transfer of veteran knowledge and the development of young employees



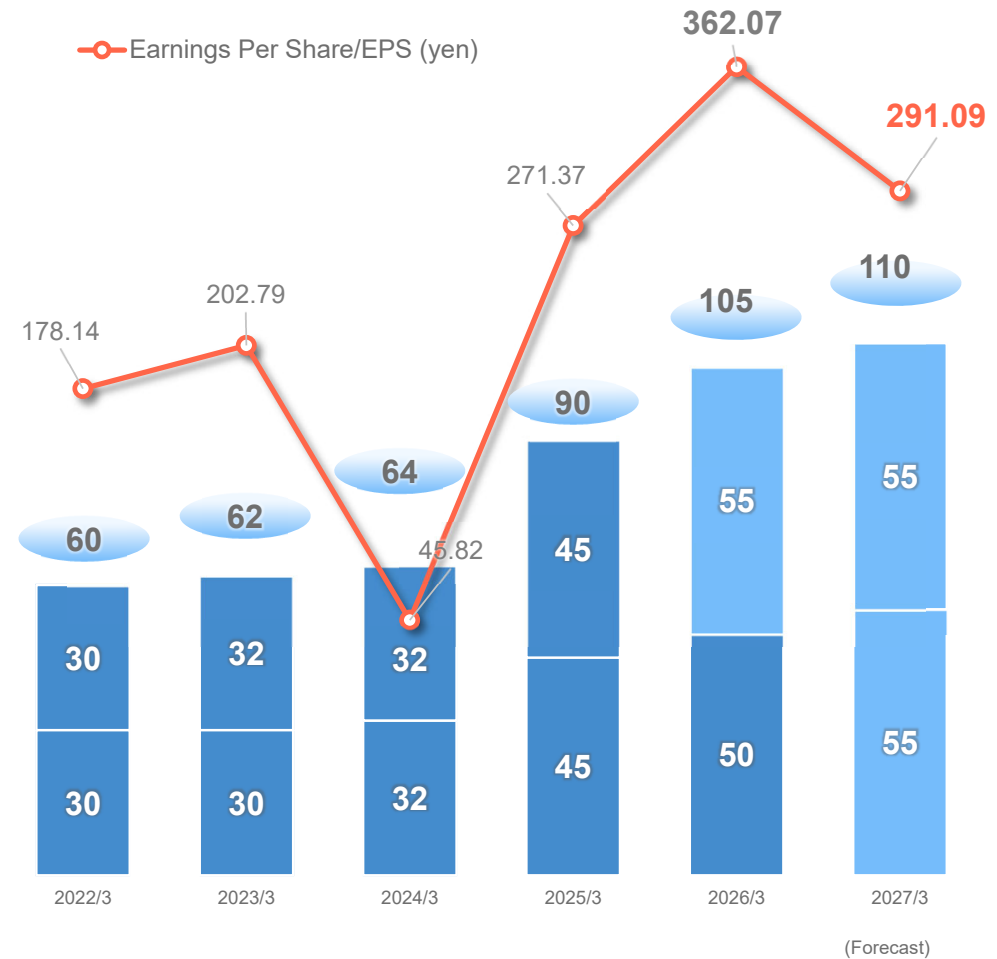
# Shareholder Returns

# Shareholder Returns



Group Policy	
<b>Dividend</b>	Dividend ratio of 30% or more <b>Policy of progressive dividend</b> during the current MTP
<b>Acquisition of treasury shares</b>	Target total payout ratio of 60% or more <b>Combined with flexible acquisition of shares</b>

	Fiscal year ended March 2026			Fiscal year ending March 2027 (Planned)		
	Interim period	Year-end	For the year	Interim period	Year-end	For the year
<b>Dividends per share</b>	<b>50 yen</b>	<b>55 yen</b>	<b>105 yen</b>	<b>55 yen</b>	<b>55 yen</b>	<b>110 yen</b>
<b>Acquisition of treasury shares</b>	about 8 billion yen			maximum of 6 billion yen (scheduled for retirement after acquisition)		
<b>dividend ratio</b>	<b>29.0%</b>			<b>37.8%</b>		
<b>total payout ratio</b>	<b>53.8%</b>			<b>61.6%</b>		



# Progress of the Medium-Term Management Plan

# Progress of Medium-Term Management Plan <Profit and Loss>



- Exceeding the initial plan significantly for two consecutive periods. Net sales and operating income set new record highs in FY March 2026
- Further raising performance forecast for FY March 2027

(100 million yen)	FY March 2025		FY March 2026			FY March 2027		
	Initial Plan	Actual results	Initial Plan	Revision (disclosed on May 14, 2025)	Actual results	Initial Plan	Revision (disclosed on May 14, 2025)	Current forecast
<b>Net sales</b>	9,750	<b>11,368</b>	10,500	12,658	<b>13,508</b>	10,000	11,400	<b>11,890</b>
<b>Operating income</b>	311	<b>348</b>	350	385	<b>441</b>	330	360	<b>365</b>
<b>Operating profit margin</b>	3.2%	<b>3.1%</b>	3.3%	3.0%	<b>3.3%</b>	3.3%	3.2%	<b>3.1%</b>

\*Initial plan figures are as of May 9, 2024, when the Medium-Term Management Plan was disclosed

# Progress of Medium-Term Management Plan <Group Management Indicators>

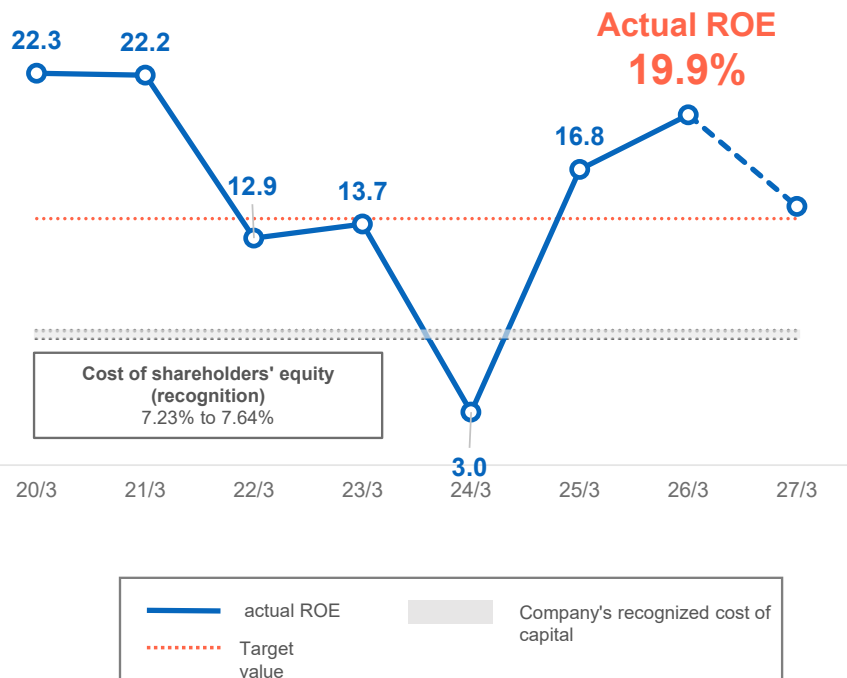
## ROE of 14% or more

<Return on Shareholders' Equity>

Aiming for further enhancement of corporate value by raising market expectations (PER) through the execution of discontinuous growth strategies based on high capital efficiency (ROE)

**Exceeding the recognized cost of capital**  
**Achieved the Medium-Term Management Plan target level**

(%)



## Creating corporate value = Improving PBR

ROE  
(Profitability)



PER  
(Future potential)

Profit margin

Capital efficiency

Finance Leverage

Growth in profits

Raising market expectations

- Structural improvement in profit margin through expanded sales of high-margin products such as solution offerings
- Improved operating efficiency through utilization of DX/AI
- Optimizing CCC and maximizing free cash flow
- Strategic inventory management based on accumulated knowledge
- Pursuing disciplined optimal capital structure targeting a capital adequacy ratio of around 35%
- For investment for future growth (M&A, etc.), considering utilization of external debt while maintaining an "A" rating

- Expanding existing businesses and creating new businesses including M&A
- Sustainable EPS growth
- Increasing awareness through rebranding activities
- Expanding disclosed information and evolving constructive dialogue with investors

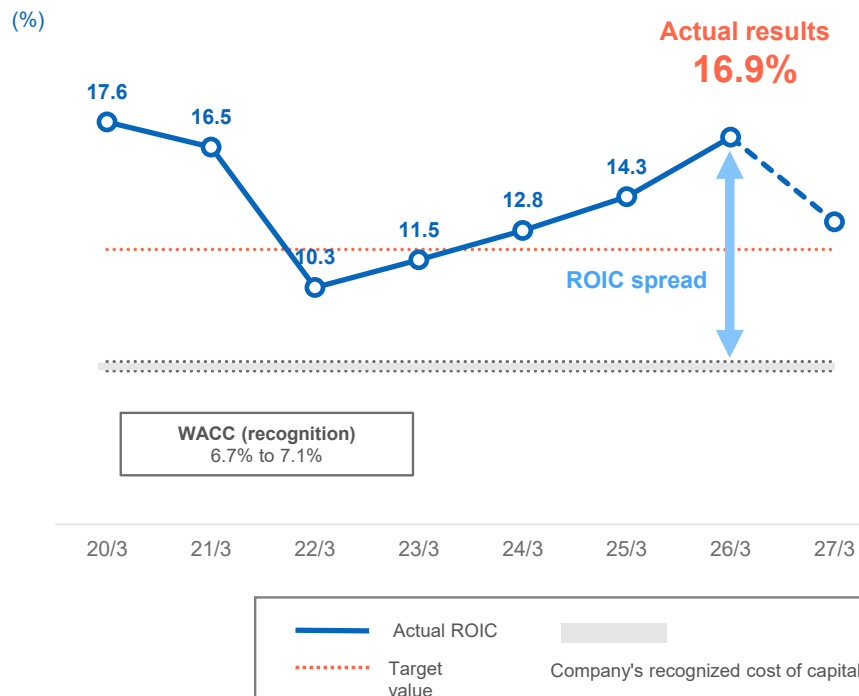
# Progress of Medium-Term Management Plan <Group Management Indicators>

## ROIC of 12% or more

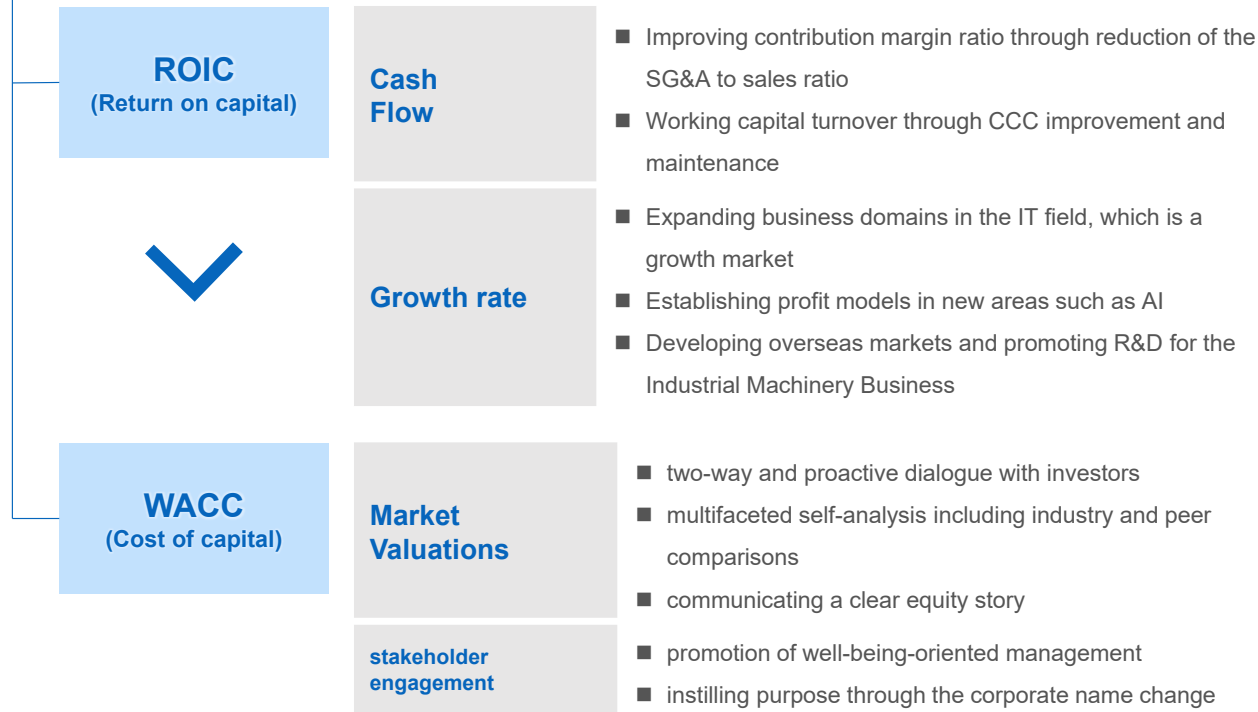
After-tax operating income / (Net assets + Interest-bearing liabilities)  
<Return on Invested Capital>

Aiming to increase corporate value through expansion of ROIC spread, an indicator of corporate value creation brought about by "earning power" in core business and efficient use of capital

**Exceeding the Company's recognized cost of capital while clearing the Medium-Term Management Plan target level**



## Creating corporate value = Sustainable expansion of ROIC spread



# Key Considerations for the Next Medium-Term Management Plan

Key considerations organized in preparation for the next MTP scheduled to be announced in May 2027

## Recognition of current issues

Based on dialogue with capital markets and rapid changes in the business environment, the following are recognized as the most important issues for the next leap forward

- Presenting a "discontinuous growth story" that dispels concerns about dependence on special demand
  - Following the capital and business alliance with BCC Corporation, which operates an IT human resources business, as a first step, executing inorganic growth (M&A) in the IT value chain
- Formulating an aggressive capital allocation policy (including priorities) consistent with the equity story and management targets
- Building a sustainable and resilient earnings base (recurring revenue) that exceeds Cost of Capital over the medium- to long-term

## Considerations

### Growth Strategy (including M&A)

- **Strategic direction: Aiming to become an All-in-One Solution Company in the IT field, expanding existing businesses and extending into new business areas through M&A**
  - Formulating a business portfolio strategy to evolve into a "platformer" that comprehensively supports the entire IT value chain, with awareness of the entire IT lifecycle including operation, renewal, and end-of-life (collection/recycling), to build more sustainable relationships with sales partners and users
- **KPIs to be achieved through growth strategy: Profit levels to achieve ROE of 20% at an early stage, and enhancement of corporate value (market capitalization) through realization of the equity story**

### Capital Allocation Policy

- **Capital allocation: Pursuing "optimal capital structure" that maximizes capital efficiency while prioritizing investment for future growth**
  - For strategic investment for future growth (M&A), actively utilizing external debt (leverage) backed by an "A" credit rating in addition to internal funds
  - Using the current capital adequacy ratio of around 35% as a guideline for financial discipline while restraining excessive accumulation of equity capital
  - Regarding shareholder returns, in addition to continuing progressive dividends, we are considering flexible acquisition of treasury shares according to funding requirements for M&A and other purposes

### Cost of Capital Reduction

- **Examining measures to raise market expectations and reduce Cost of Capital**
  - Dispelling concerns about earnings volatility through enhanced IR materials
  - Enhancing governance to improve management transparency

# Medium- to long-term vision "2030 VISION"

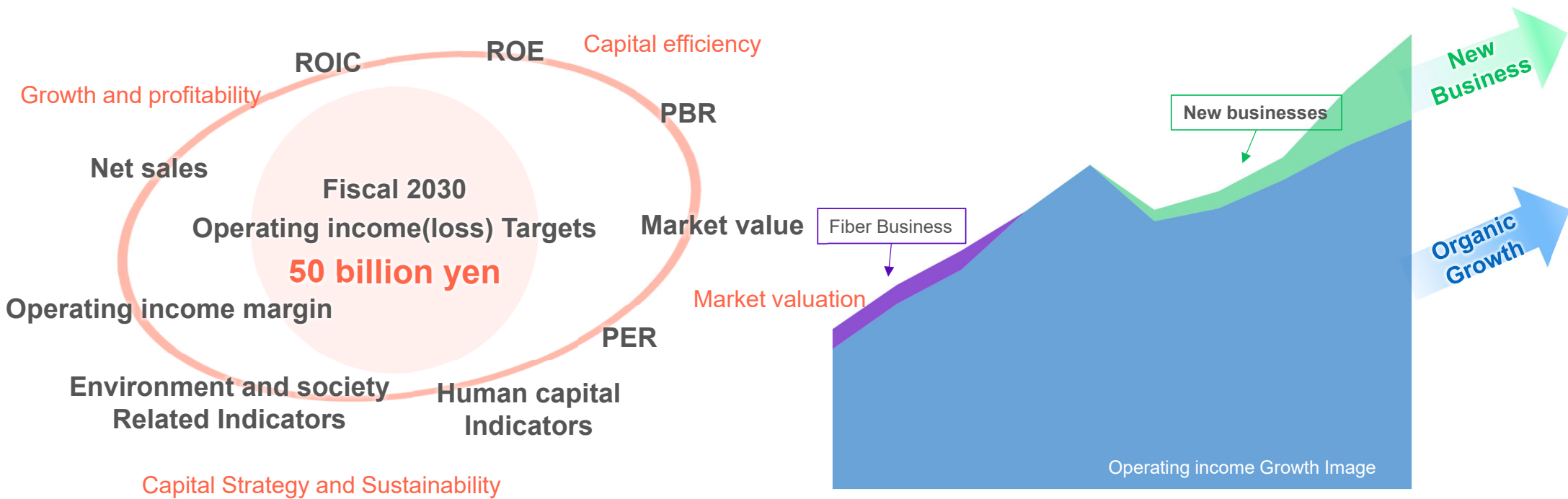
# Medium-to Long-Term Vision"2030 VISION"



## 2030 VISION

**Equity story**  
 By investing management resources in new business areas centered on IT field  
 Build a Group structure that will lead to further development of the value chain

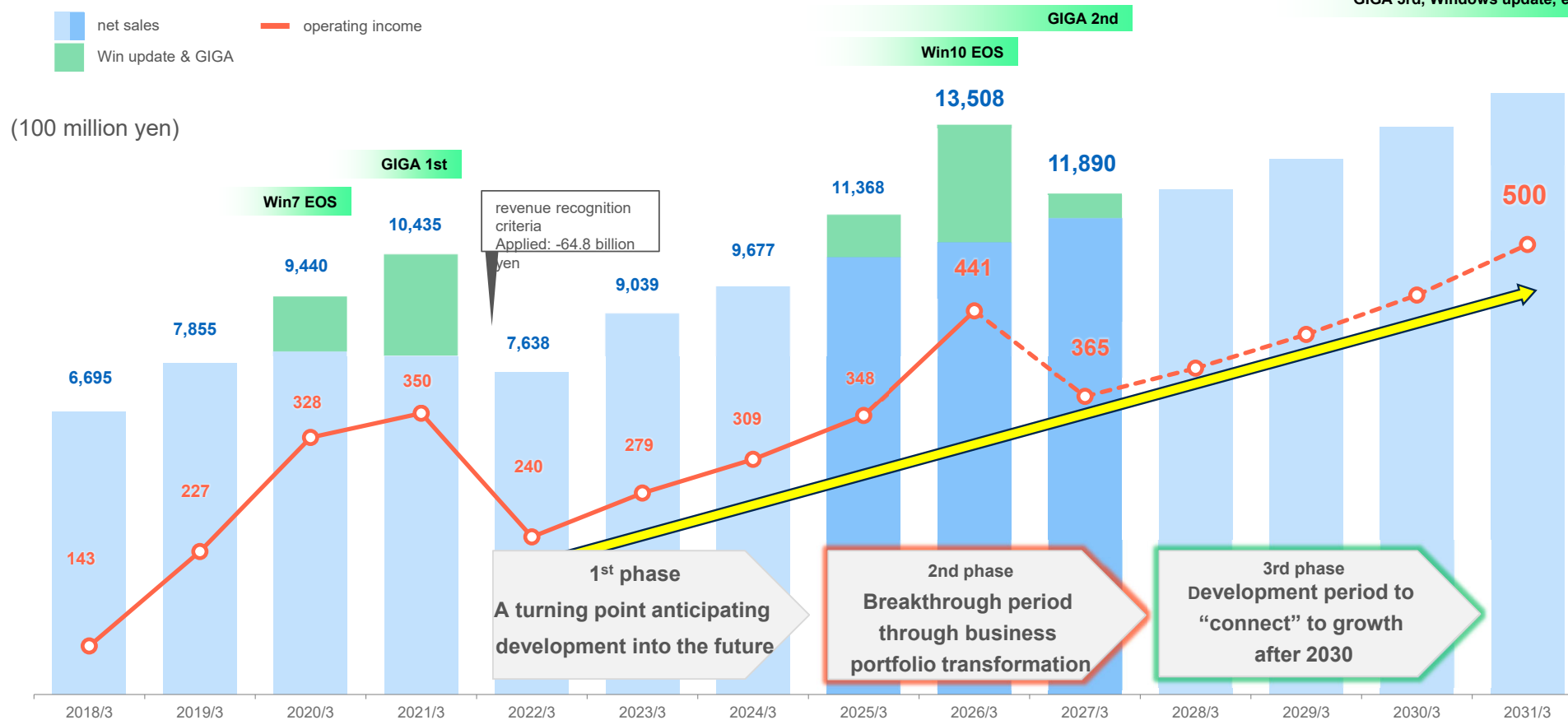
**The Way the Company Should Be of Groups**  
 Becoming an indispensable corporate group  
 All-in-One Solution Company



# Aim to the Medium-to Long-Term Vision "2030 VISION"

## Growth image of sales and operating income

Next Special Demand Forecast  
GIGA 3rd, Windows update, etc.



# | About the New Corporate Name

# About the New Corporate Name

- Subject to approval of partial amendments to the Articles of Incorporation at the 116th General Meeting of Shareholders scheduled for June 26, 2026, the corporate name will be changed from April 1, 2027.

Corporate name: MUSUBITE Inc.

## PURPOSE

**Connecting people and society to the future with our value chain**



We aspire to be a "connector" that not only aggregates the value created through these activities but also links those values together, elevating them to greater heights and creating a powerful synergy. By "connecting," we support systems; by "tying together," we strengthens the bonds.

We will strive to create a high-quality value chain that encompasses both aspects.

\*Trademark registration application in progress

# About the New Corporate Name of the Subsidiary

- Our subsidiary "Daiwabo Information System Co., Ltd." will also change its corporate name from April 1, 2027, subject to resolution at the shareholders' meeting and approval by relevant authorities.

Corporate name: DIS CO., LTD.

The new name, "DIS CO., LTD.," goes beyond being a mere abbreviation of its previous name, "DAIWABO INFORMATION SYSTEM." It incorporates the company's cherished values and its commitment to the future through the following three words:

**Delightful  
Ideas  
&  
Solutions**



**DIS**  
**Delightful Ideas & Solutions**

\*Note that other group companies, including our consolidated subsidiary O-M Ltd., Group companies will not change their corporate names in connection with this matter.

\*Trademark registration application in progress

## Reference material

- ▶ Interviews with Shareholders and Investors (April 2024 to March 2025)
- ▶ Regarding "Transaction Volume" in the IT Infrastructure Distribution Business
- ▶ Business Overview
- ▶ Overview of Medium-Term Management Plan (FY3/25–FY3/27)
- ▶ Performance Trends Graph

# Interviews with Shareholders and Investors (April 2025 to March 2026)

The Company aims to enhance corporate value through timely and appropriate information disclosure to shareholders and investors, constructive dialogue to foster proper understanding of our management situation, and by feeding back dialogue content into management

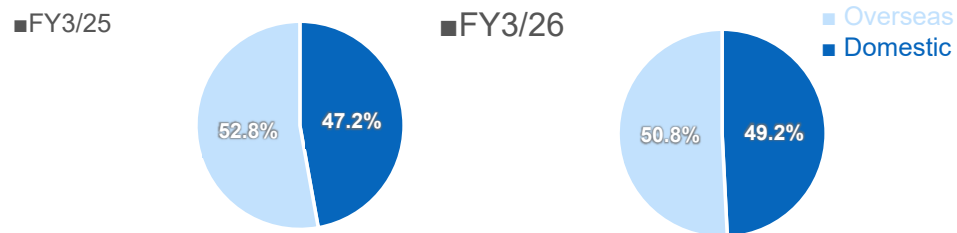
## Status of Meetings

SR/IR Meeting Results: 196 meetings (221 in the previous period)

## Main Activities

all existing shareholders	Shareholders' meetings
For institutional investors	Financial Results Briefings, IR Meetings, SR Meetings Overseas Road Shows
For Private Investors	IR Events for Individual Investors Exhibitions and Briefing Participation (3 times)

## Overview of Shareholders and Institutional Investors Met



## Response to TSE Requests

- Mandatory Simultaneous English Disclosure → Compliance began from FY3/25 3Q disclosure
- Mandatory establishment of IR framework → Organizational restructuring to be implemented in July 2025

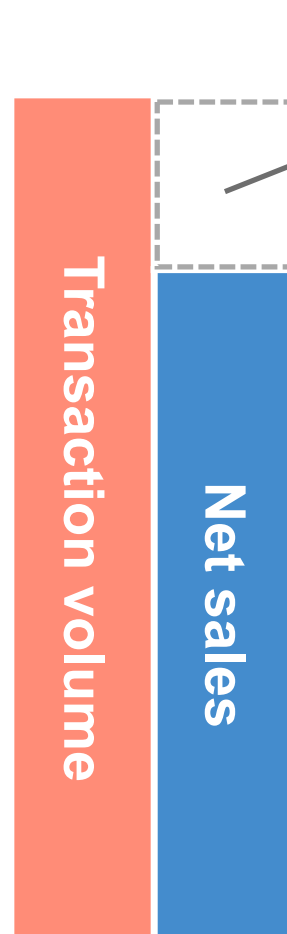
## Main Dialogue Themes and Shareholder Concerns

- Demand Trends for Windows/GIGA Upgrades and Impact on performance
- Profitability and Future Growth Potential of iKAZUCHI
- Demand Trends for AI-Related Products and Services Such as AI PCs
- Impact on Company Performance from PC Price Increases Due to Soaring Memory Prices
- Performance Forecasts from FY3/27 Onward
- Shareholder Returns and Capital Policies
- M&A Consideration Status Toward Achieving '2030 VISION'
- Background of Capital and Business Alliance with BCC Co., Ltd.

# "Transaction Volume" of IT Infrastructure Distribution Business

## Transaction volume

- ❑ Calculated under the same standard as net sales up to the fiscal year ended March 2021  
(= Net sales prior to the change in the accounting standards)
- ❑ Continuing to use as "transaction volume" to make an important index in presenting the scale of transaction
- ❑ Sales evaluations in management accounting



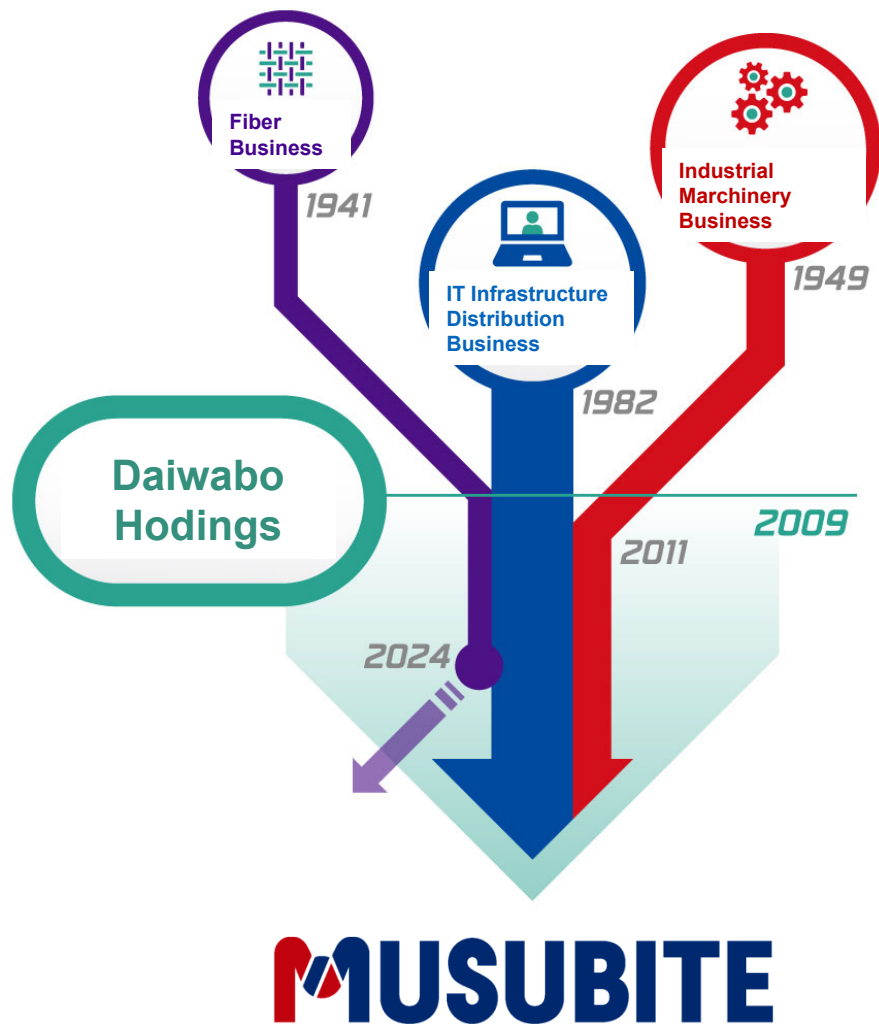
Impact due to application of the  
**“Accounting Standard for Revenue Recognition.”**  
 (From the fiscal year ended March 31, 2022)

The company records as net sales the net amount of sales consideration for “agency transactions” under the accounting standards for some maintenance and warranty services, software sales due to iKAZUCHI, etc.

## Net sales

- ❑ Net sales from the fiscal year ended March 2022
- ❑ Sales evaluations in financial accounting

# Group History



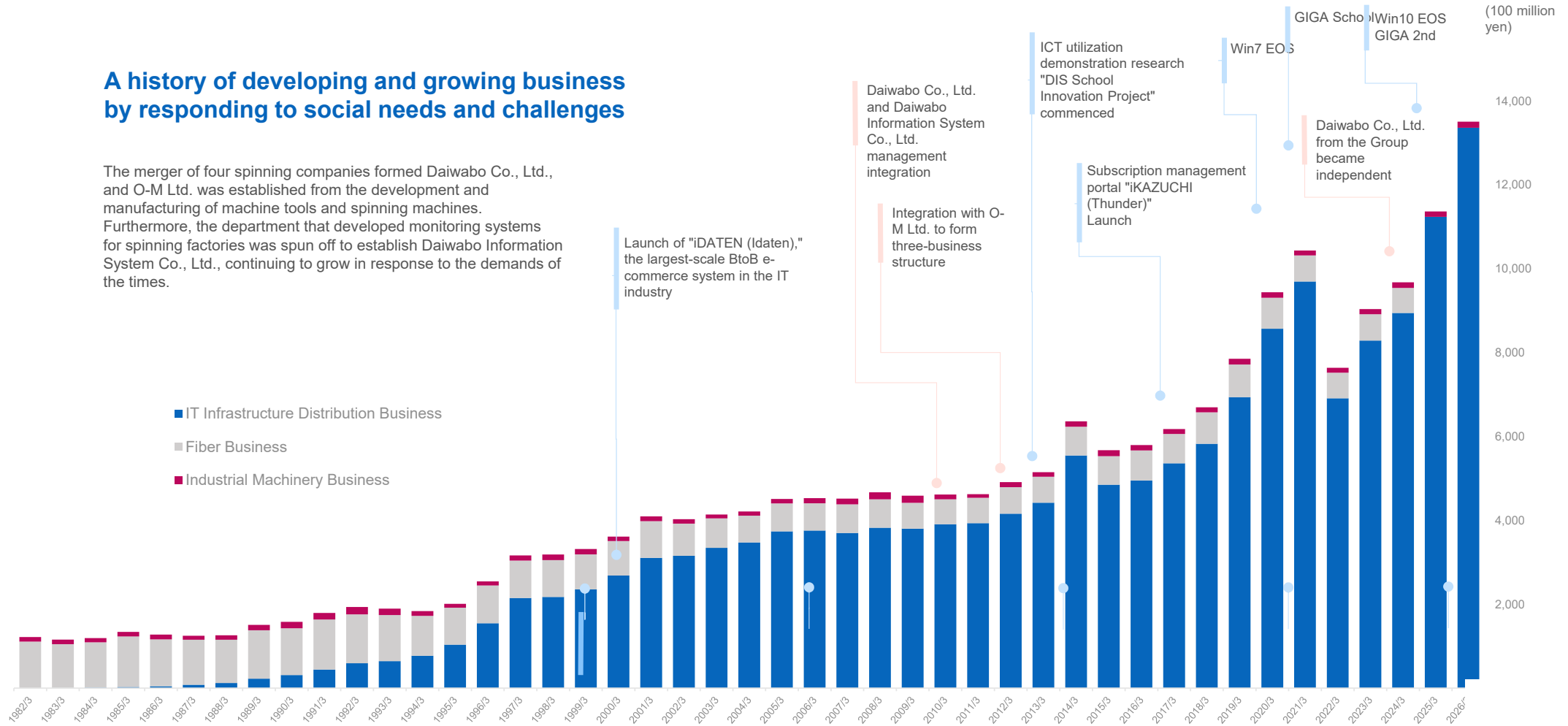
- 1941. 4 **Daiwabo** was established through the merger of four companies: Kinka Boseki, Hinode Boshoku, Izumo Seishoku, and Wakayama Boshoku
- 1949. 5 Daiwabo was listed on the First Section of the Tokyo Stock Exchange
- 1949. 7 Daiwabo spun off its Shinji Plant to establish Daiwa Machinery Co., Ltd. (currently **O-M Ltd.**)  
-> In 1960, Daiwa Machinery Co., Ltd. was merged with Osaka Kikai Seisakusho, a manufacturer of machine tools and spinning machines, to form O-M Ltd.
- 1971.11 O-M Ltd. was listed on the First Section of the Tokyo Stock Exchange
- 1982. 4 As part of its new business development, Daiwabo established **Daiwabo Information System** to evolve into an information-related business
- 2000. 9 Daiwabo Information System was listed on the First Section of the Tokyo Stock Exchange
- 2009. 4 Daiwabo and Daiwabo Information System integrated their management structures
- 2009. 7 Daiwabo changed its trade name to **Daiwabo Holdings Co., Ltd.** and established **Daiwabo Co., Ltd.** as a new core company for its fiber business
- 2011. 7 Daiwabo Holdings Co., Ltd. and O-M Ltd. integrated their management structures => **To operate three businesses**
- 2024. 3 **Daiwabo Co., Ltd. became independent** through a share transfer

# History of Value Creation



## A history of developing and growing business by responding to social needs and challenges

The merger of four spinning companies formed Daiwabo Co., Ltd., and O-M Ltd. was established from the development and manufacturing of machine tools and spinning machines. Furthermore, the department that developed monitoring systems for spinning factories was spun off to establish Daiwabo Information System Co., Ltd., continuing to grow in response to the demands of the times.



# History of Daiwabo Information System Co., Ltd. (DIS)

## 1982 DIS Founded

- Started with just 10 employees, leveraging Daiwabo Co., Ltd.'s expertise in developing in-house monitoring systems for production sites using PCs
- Shifted from system development and sales to sales of information equipment including PCs

## 1983-1984 Multi-Store Expansion

- Opened branches in Saga, Izumo, and Kanazawa where Daiwabo Co., Ltd. had factories; all achieved profitability early, accelerating multi-store expansion

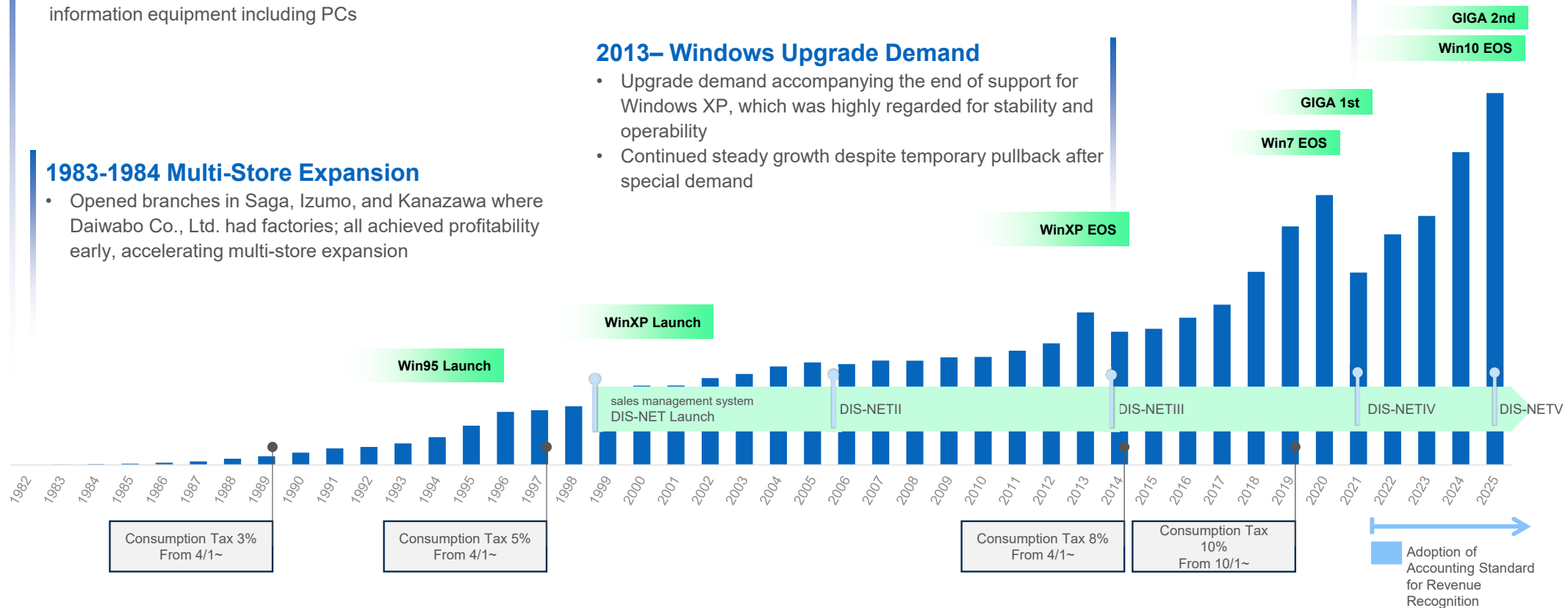
## 2020– the GIGA School program

- An initiative by the Ministry of Education, Culture, Sports, Science and Technology to develop school ICT environments, including providing one device per student in elementary and junior high schools and building high-speed, high-capacity communication networks

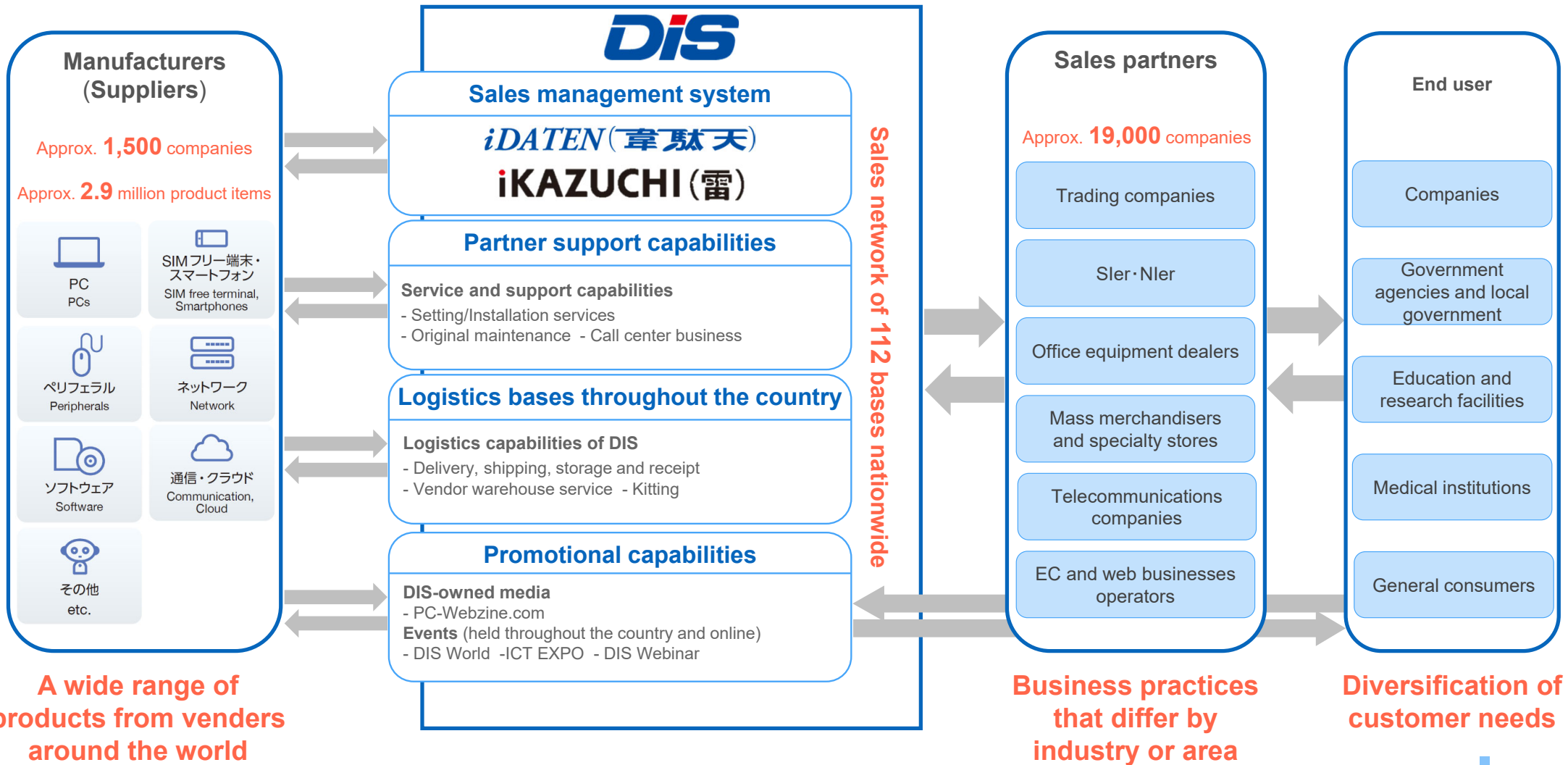
## 2013– Windows Upgrade Demand

- Upgrade demand accompanying the end of support for Windows XP, which was highly regarded for stability and operability
- Continued steady growth despite temporary pullback after special demand

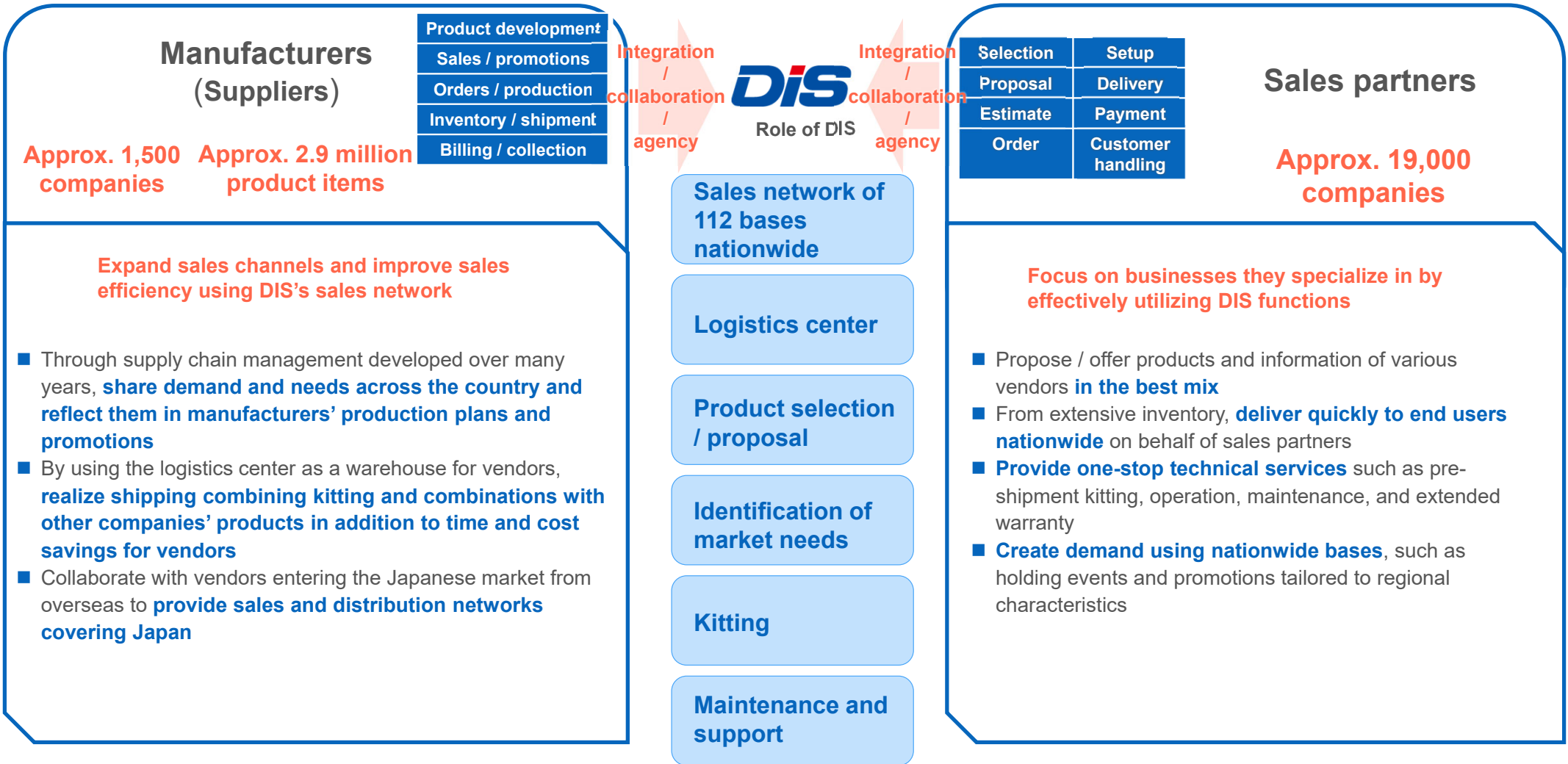
(Fiscal Year)



# The Business Structure of IT Infrastructure Distribution Business



# Role and Added Value of Distributors



# Greater Efficiency of Distribution Centers

## Kansai Center (Kobe City)

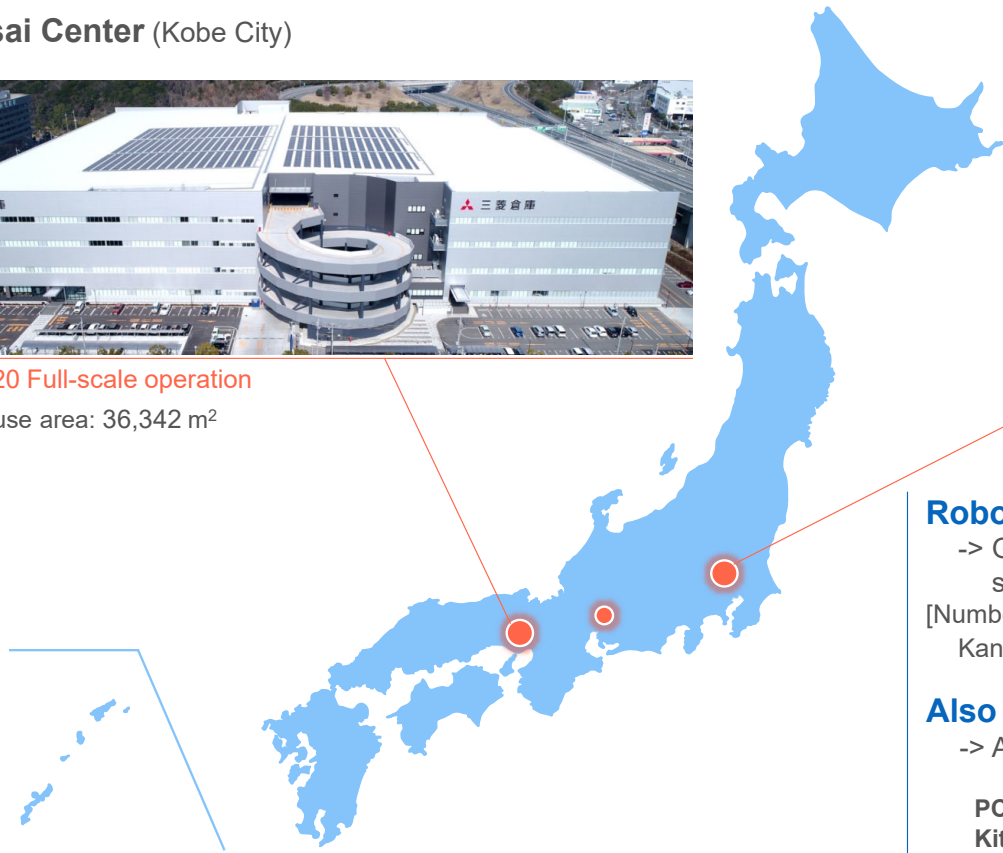


May 2020 Full-scale operation  
Warehouse area: 36,342 m<sup>2</sup>

## Kanto Central Center (Yoshimi Town, Saitama Prefecture)



June 2016 Full-scale operation  
Warehouse area: 44,753 m<sup>2</sup>



**Focus on greater efficiency and improvements in productivity centered on eastern and western mega-centers**

### Robot storage system

-> Greater work efficiency and optimization of space

[Number of robots operating]

Kanto Central: **45**, Kansai: **30**

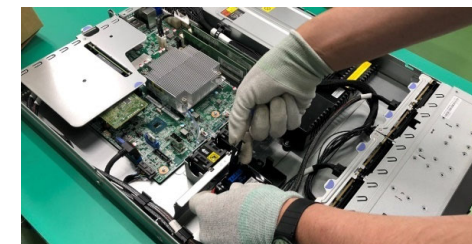
### Also equipped with kitting centers

-> Arrival > work > quick handling for shipment

PCs and tablets : **482,000** units a year  
Kitting results (2026/3)

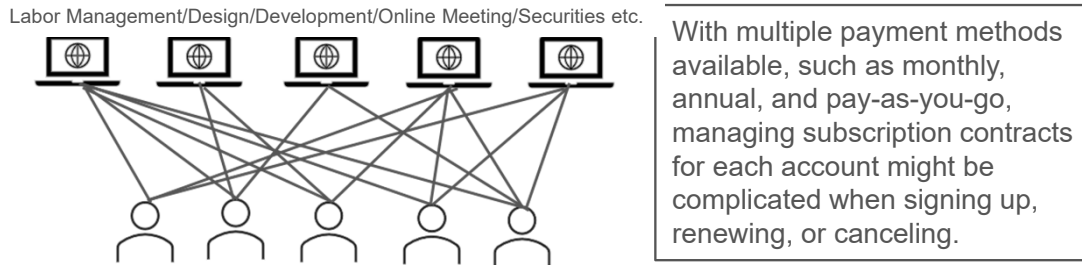
### Truck booking acceptance system

→ Sharing of incoming and outgoing information and vehicle leveling

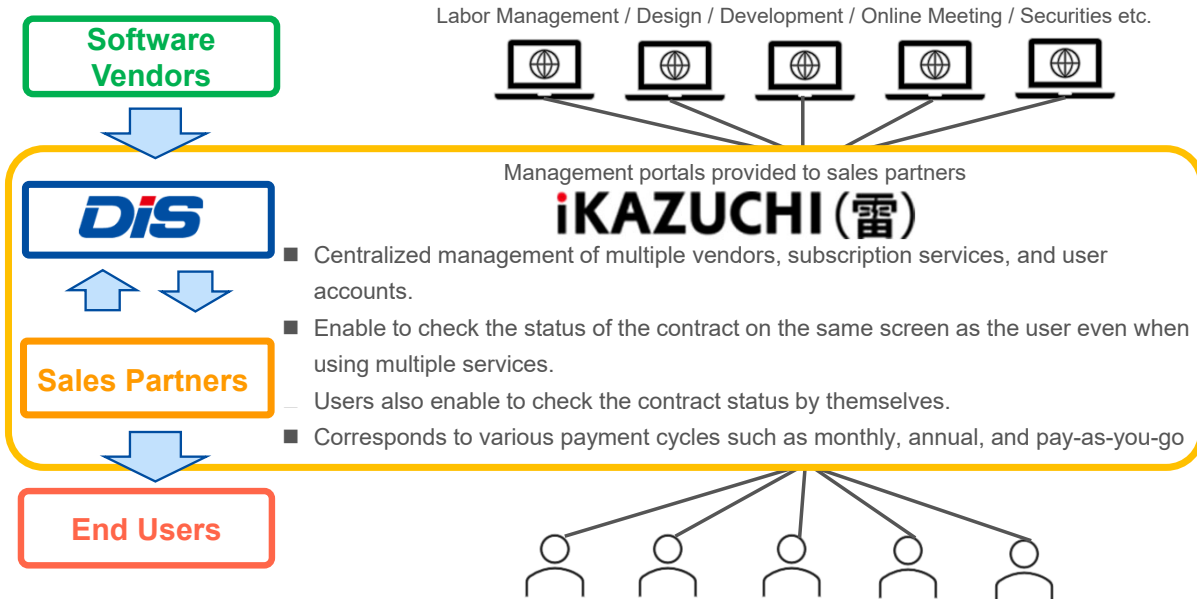


# iKAZUCHI - A platform for managing subscription contract -

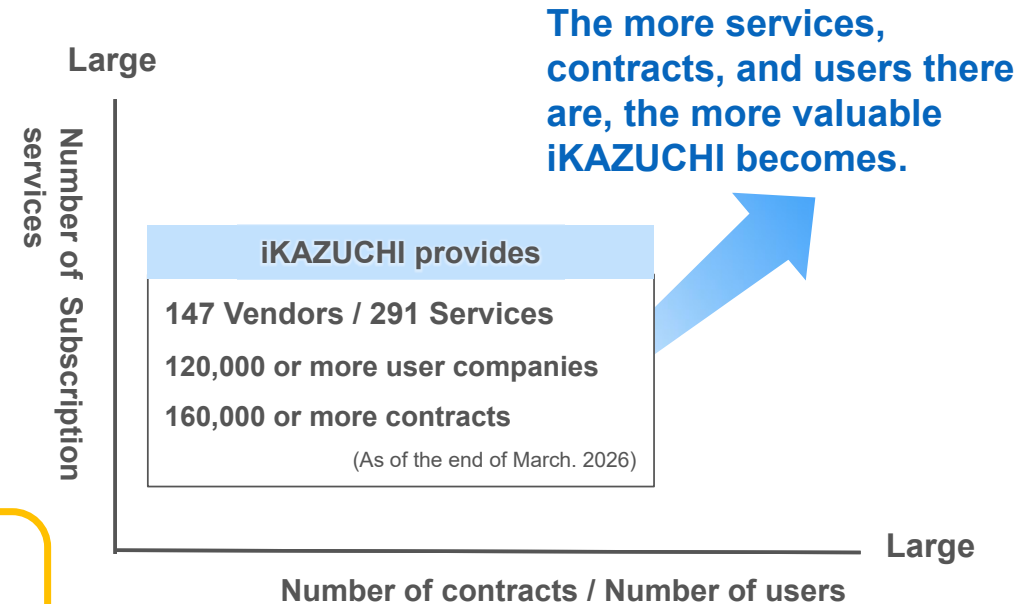
## Situation where multiple services are directly used



## iKAZUCHI is a platform for managing subscription contract



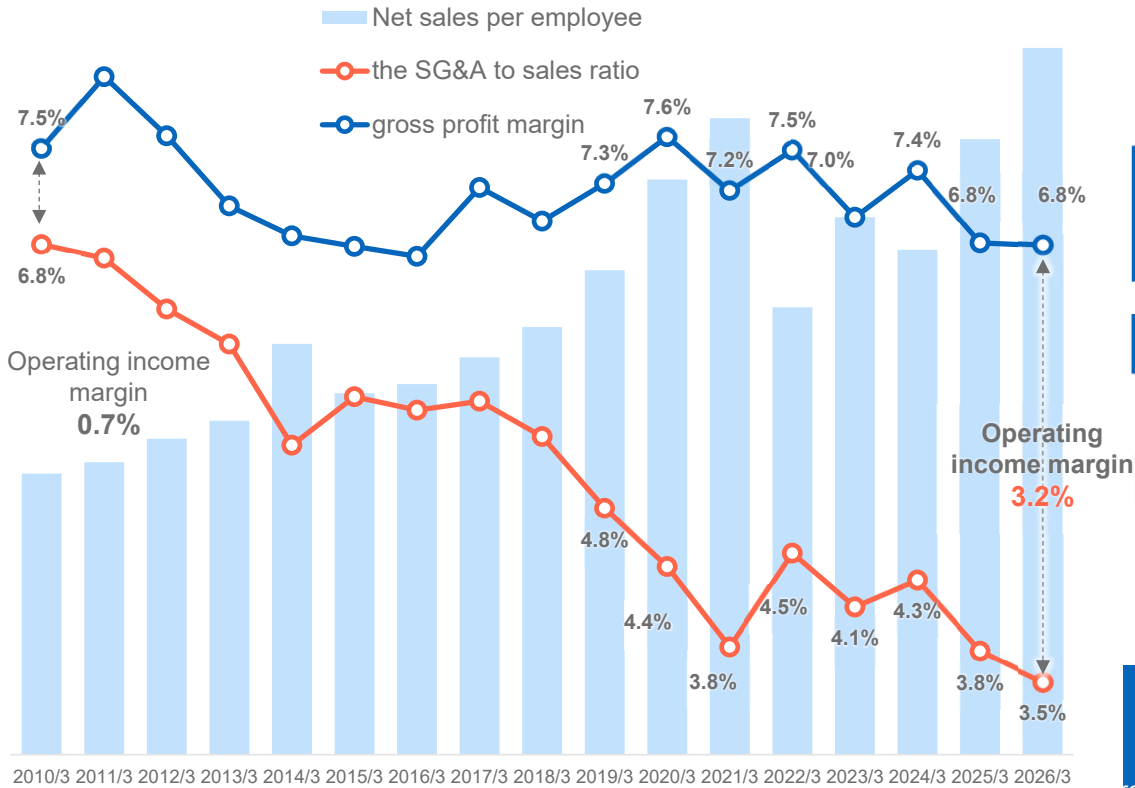
## “The Network Effects” provided by iKAZUCHI



Using iKAZUCHI not only improves convenience for sales partners, but the more users there are, the more valuable it becomes for vendors to list their services on iKAZUCHI . Furthermore, the expansion of the service increases its value to users as well. “The network effect” is a result of the expansion of the network, bringing value to vendors, sales partners, and users alike.

# Sales efficiency improvement and low-cost operations

IT Infrastructure Distribution Business Results

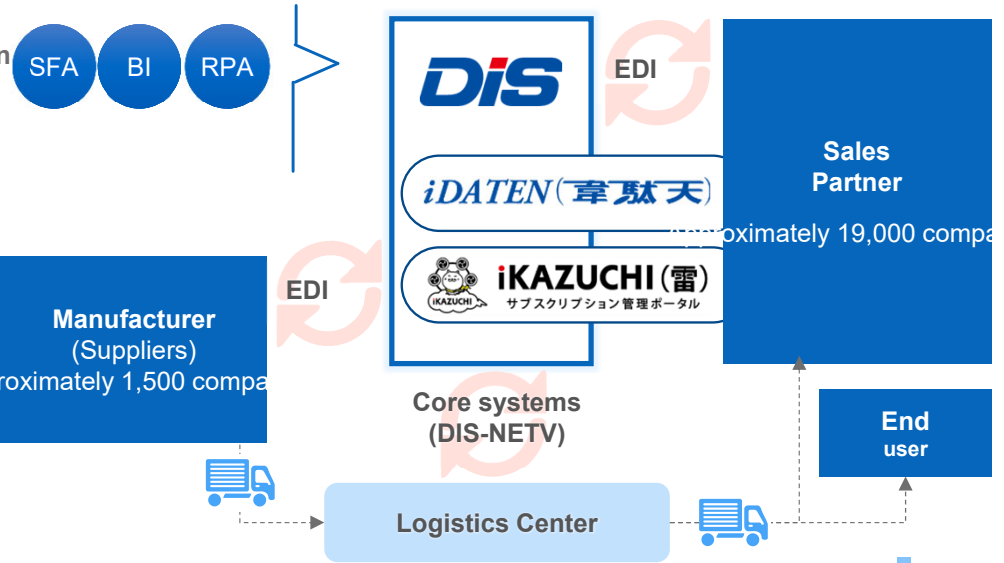


\*Does not reflect consolidated adjustments and therefore differs from segment results

**Strengthen the system infrastructure that supports net sales of over 1 trillion yen**

**Implement the following functional enhancement over the three-year period**

- Add and reinforce equipment specifications to enhance performance and improve availability
- Migration including the migration of existing systems and modifications of incompatible programs
- Disaster, failure, and security countermeasures; improvement of operations management and enhancement of availability
- Strengthening of connection with internal systems and their automation
- Reinforcement of functions of iDATEN, iKAZUCHI, EDI, etc.



# Industrial Machinery Business - Product Examples -

## Vertical lathes



- ❑ **No. 1 share in Japan** for both medium- and large-sized lathes (Cumulative shipments exceeded **7,700** units)
- ❑ Highly evaluated as “OM for vertical lathes” in Japan and overseas
- ❑ A machine that is used to cut a workpiece by attaching it to a horizontally rotating table. The table diameter ranges from 800 mm to 6,000 mm, and it can be used in a wide variety of production modes. Highly rigid, highly accurate and easy to operate, it is used as a mother machine in all fields including aircraft and wind power parts
- ❑ The picture on the left shows the “RT-915,” a small general-purpose machine

## Turning centers



- ❑ A machine tool specifically used to maintain rolling stock. It contributes to improved railway safety and riding comfort
- ❑ **No.1 share in Japan** for underfloor wheel lathes
- ❑ To start domestic production, we had a licensing agreement with Hegenscheidt, which manufactured the first wheel lathe in the world and has an excellent delivery record around the world. The design, parts and software are all original

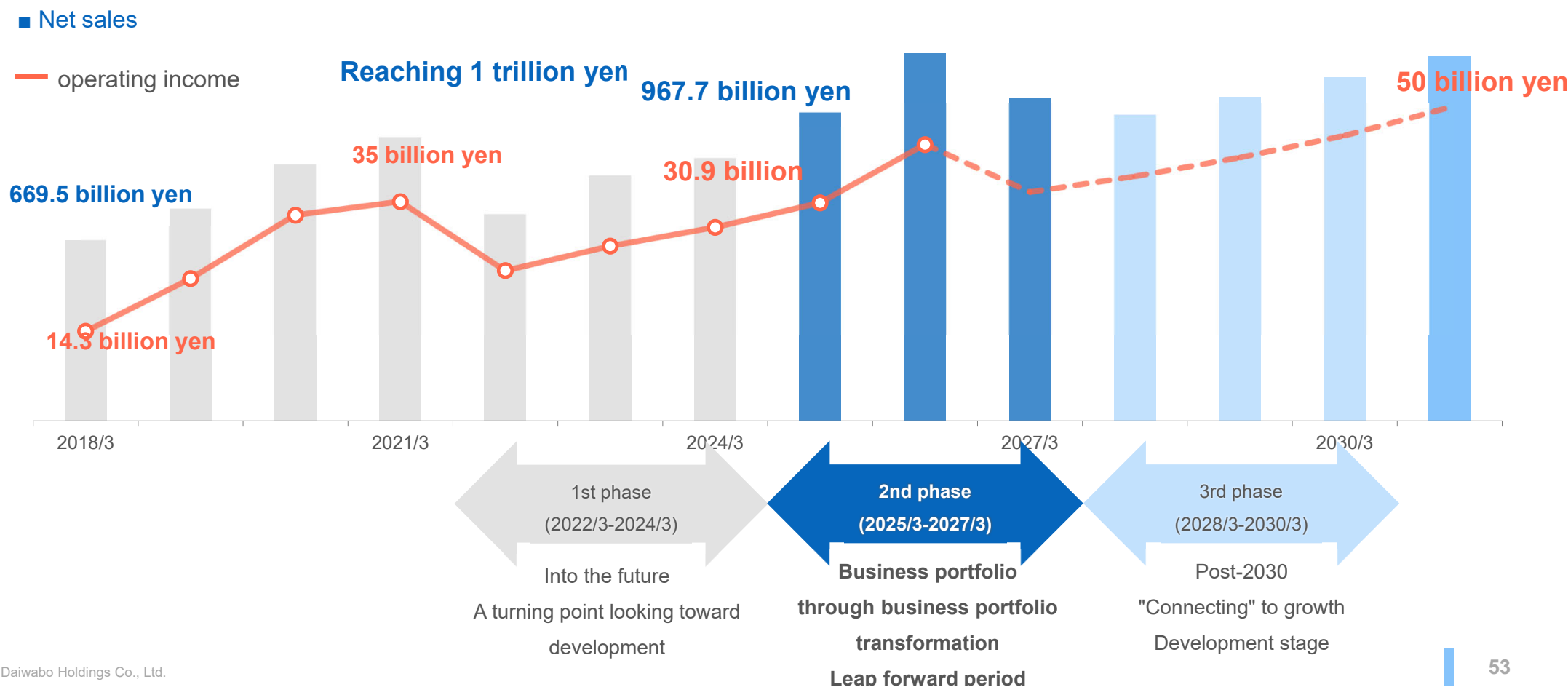
## Automatic machinery



- ❑ We manufacture a wide range of automatic machinery including cartoners (cartoning machine), intermediate packaging machines for stacking and packaging products in film and corrugated cardboard casers (The picture on the left is a horizontal continuous cartoner)
- ❑ The strengths include technologies and creativities that allow us to flexibly respond to the needs of packaging processes in rapidly changing industries such as foods with short life cycles and remarkable diversification and pharmaceuticals with increasingly strict manufacturing standards

# The Role of the Medium-Term Management Plan

## An important 3-year period also from the perspective of backcasting from '2030 VISION'



## 01

### Growth under the holding company structure

- Seek entry into new business areas as a holding company
- Operating companies will engage in strengthening and reorganization within their segment

## 02

### Challenge to break the “highest in the past”

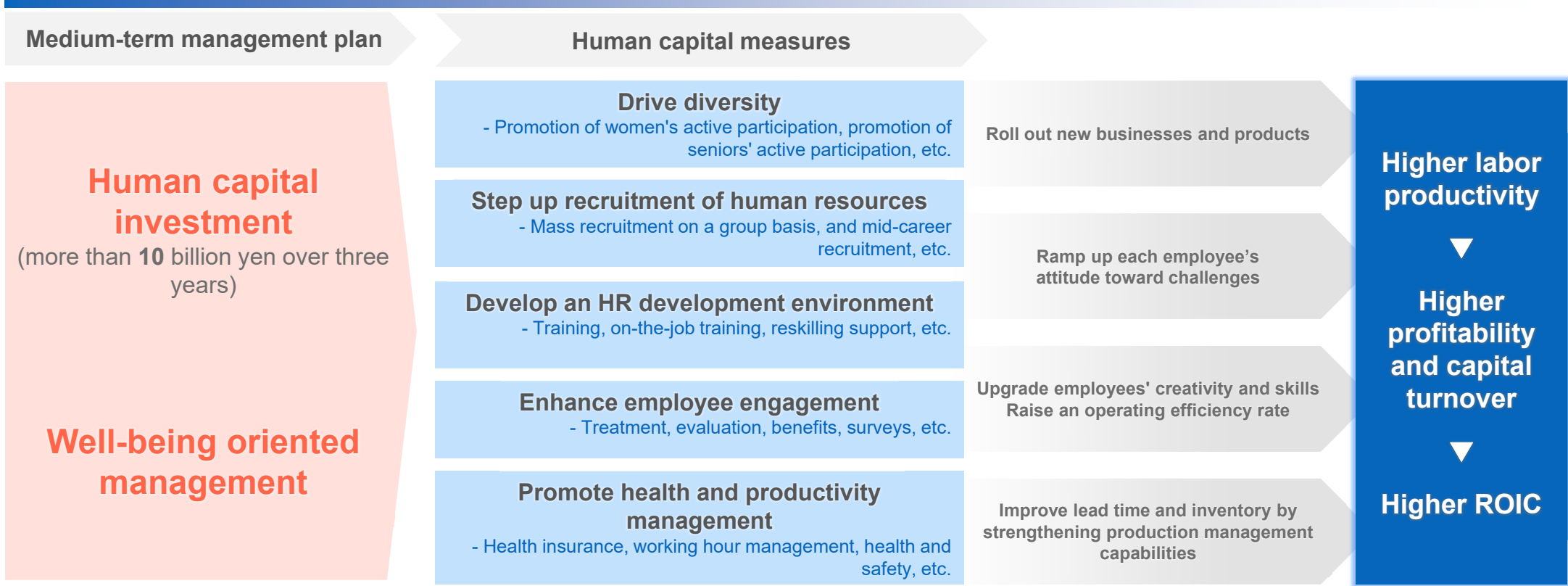
- Renew the past highest records in net sales and profits
- The company, organizations, businesses and individuals will aim at their best performance in their respective field

## 03

### Enhancement of stakeholder engagement

- Enhance trusted relationships with and cooperate through mutual understanding with shareholders, business partners, employees, local communities, and others
- Further reinforce the management foundation required by the aspects including human capital, systems, and governance.
- Drive well-being oriented management

# Sustainability Human Capital Strategy



## TOPICS

- ▶ Large-scale base pay increase of salaries (including revisions to initial salaries) has been implemented at group companies since 2023
- ▶ In addition to substantial base pay increase, invest aggressively in educational and welfare programs in the current fiscal year
- ▶ Expand human capital expenditures of 10 billion yen or more to \*15.5 billion yen or more in the 3 years planned in the MTP
- ▶ Certified as the KENKO Investment for Health program 2025 (promoted by METI) by DIS

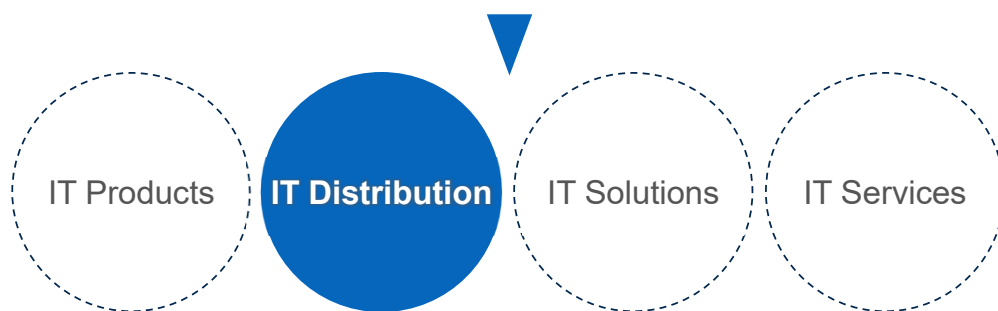
Labor productivity on a group-wide basis  
**Target sales per employee : 3-year average +5.7% or more**

Plan to push forward with M&A for further growth  
Carry out M&A through disciplined investment decisions with business areas and hurdle rates in mind

## Business areas

Consider M&A mainly in the following business areas

- AI
- DX
- XaaS
- Subscription
- Network
- Logistics
- ITAD
- Consulting
- Security
- Automation
- Education
- Healthcare



## Decision-making on investment and procurement

Make investment decisions on a quantitative basis

**Will it exceed cost of capital?**

Cost of shareholders' equity: 6.2% to 7.5% WACC: 5.8% to 7.0%

**Will it contribute to improving EPS in the long term?**

Compare with acquisition of treasury shares

**Financial soundness:** Maintain Rating A in the long term\*

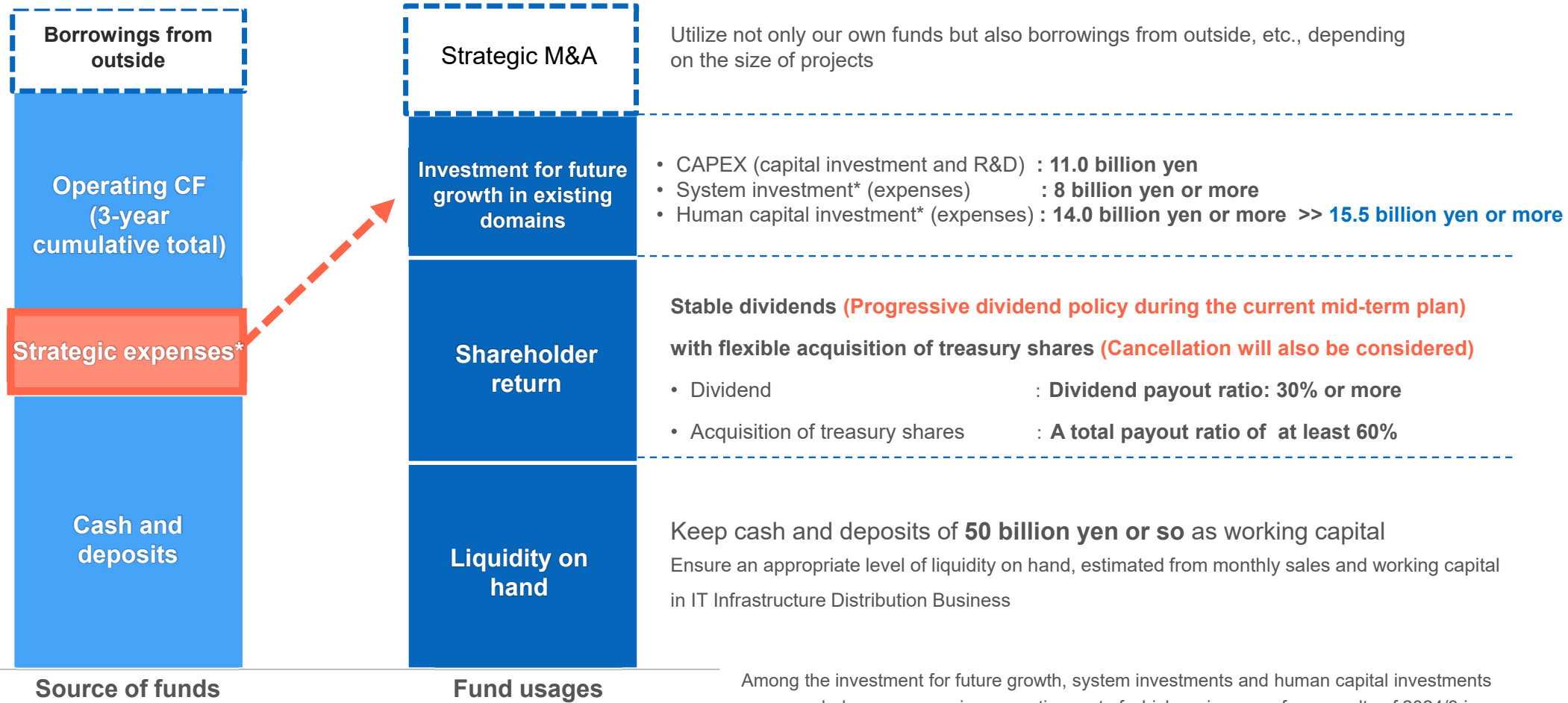
**Will it lower capital efficiency?**

**Fund procurement policy**

Small projects will be funded by funds on hand, but funds will be procured through borrowings, if necessary

# Capital Allocation Policy (FY March2025 – FY March2027)

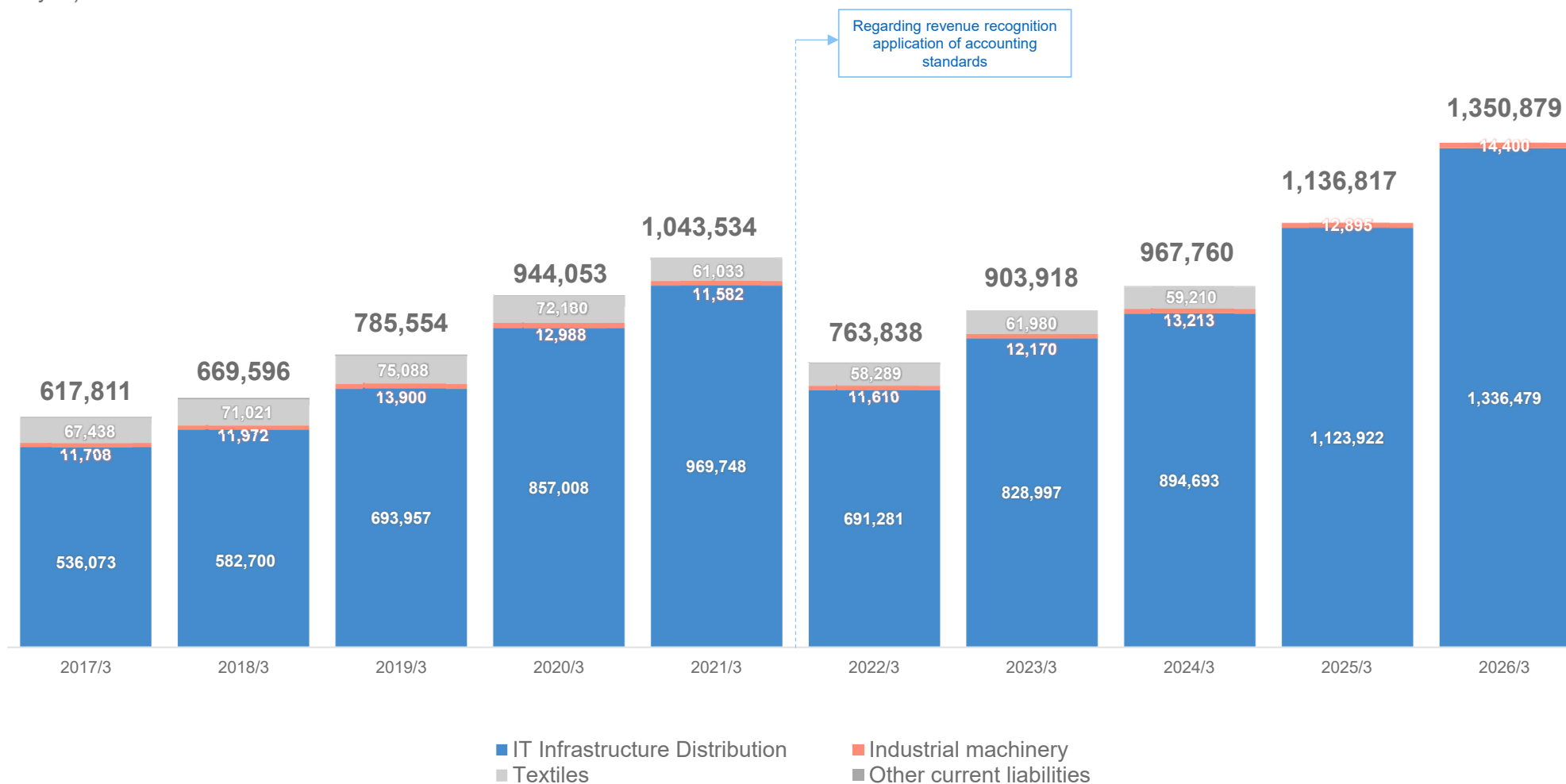
## Images of capital allocation over a three-year cumulative period



Among the investment for future growth, system investments and human capital investments are regarded as expenses in accounting, out of which an increase from results of 2024/3 is counted in

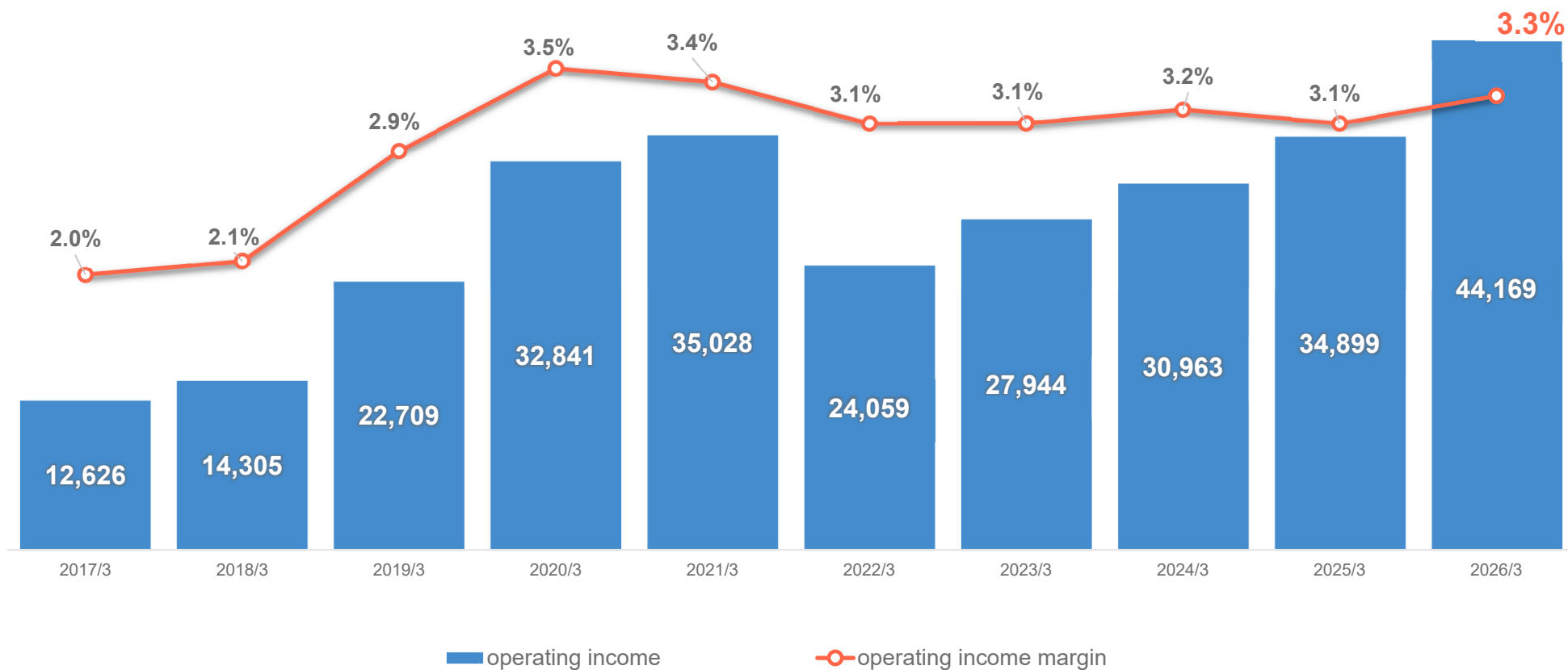
# Consolidated net sales

(million yen)



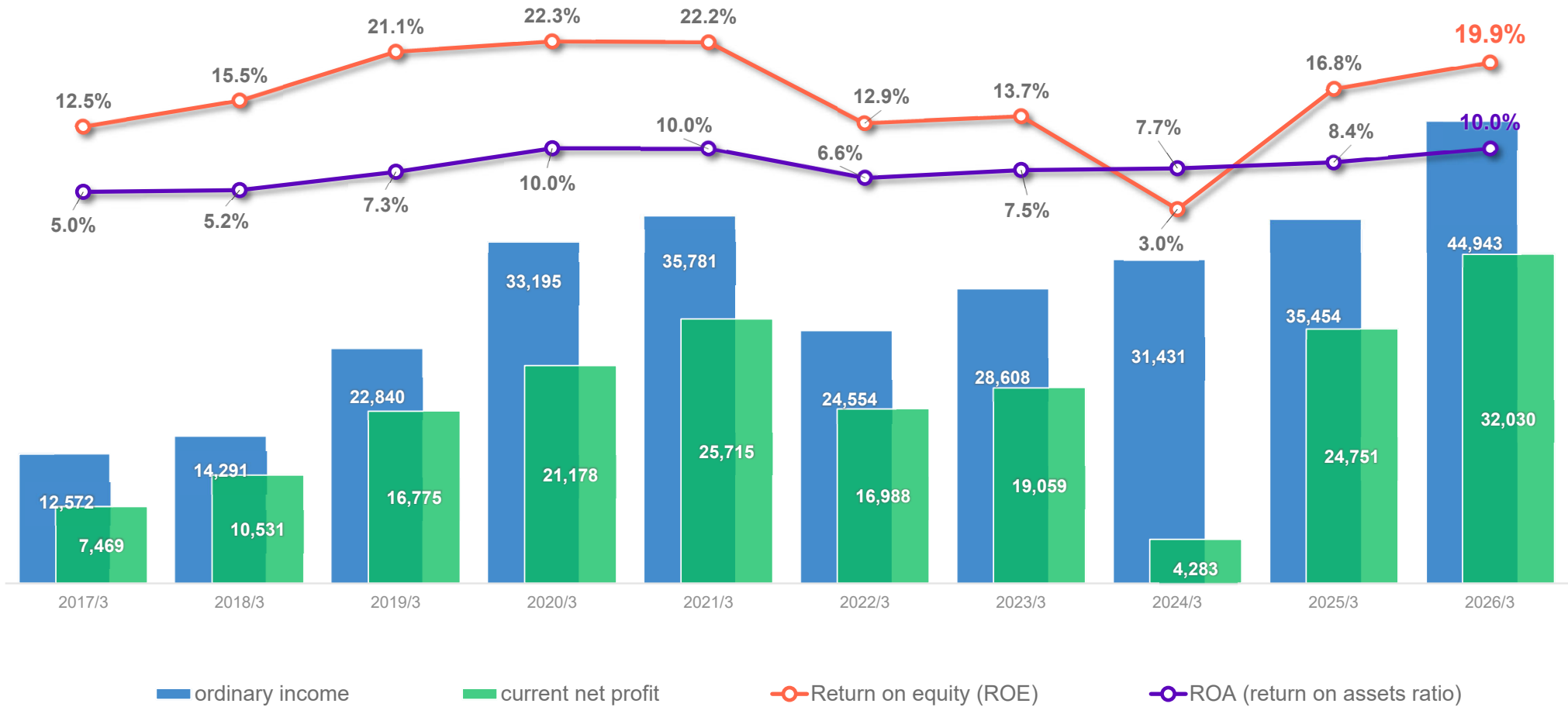
# Consolidated Operating Income

(million yen)



# Consolidated ordinary income and consolidated current net income

(million yen)



# Consolidated Quarterly Results Trends



(million yen)

■ Net Sales ■ Operating Income ■ Operating profit Margin



# IT Infrastructure Distribution Business Quarterly Performance Comparison

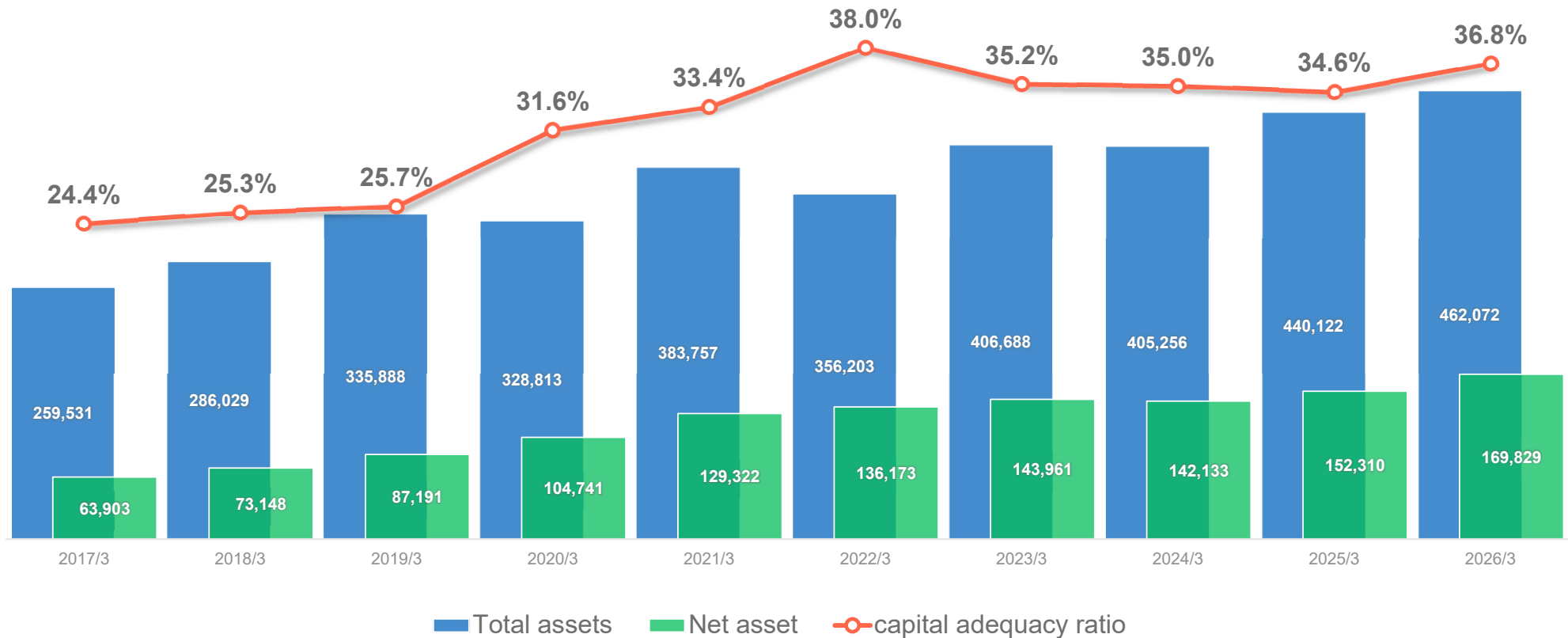
(million yen)

■ Net Sales ■ Operating Income ■ Operating profit Margin



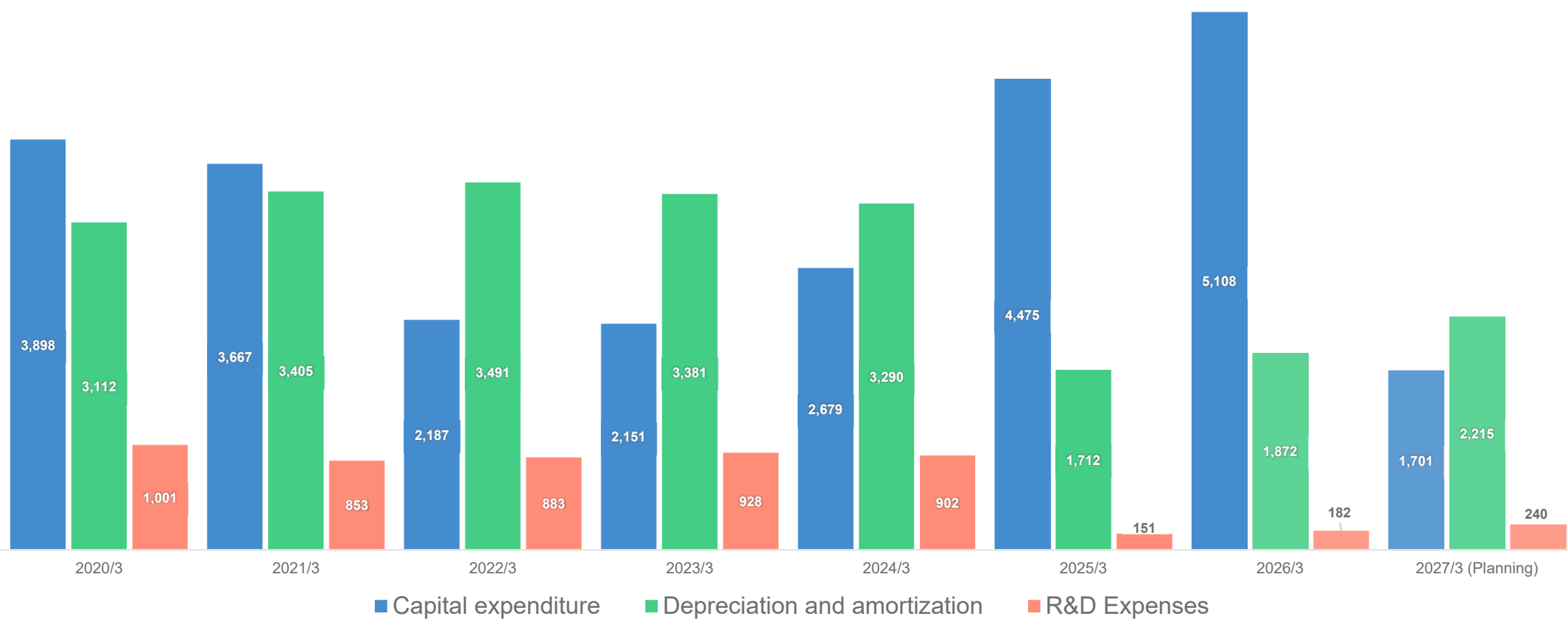
# Consolidated Total Assets, Consolidated Net Asset, Capital Adequacy Ratio

(million yen)



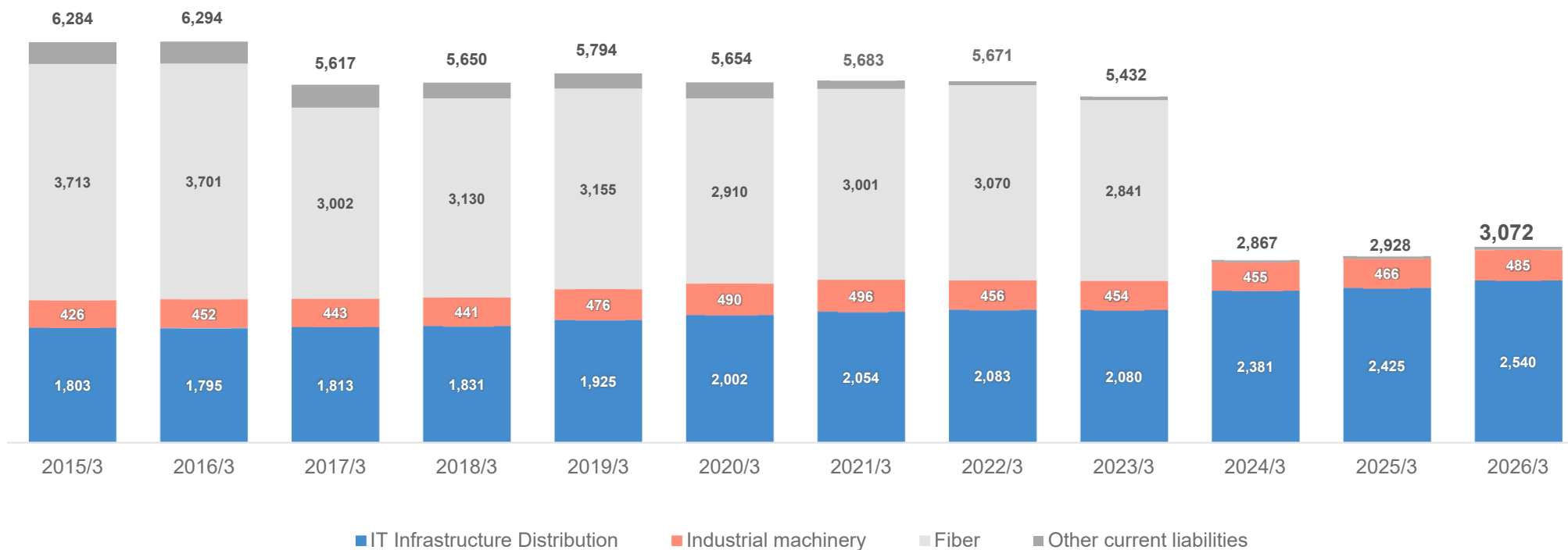
# Capital Expenditures, Depreciation Expenses, R&D Expenses

(million yen)



# Number of Employees by Segment

(person)



\*Number of employees as of the last day of each fiscal year (March 31)

# Stock Performance

**PBR 1.57 times**

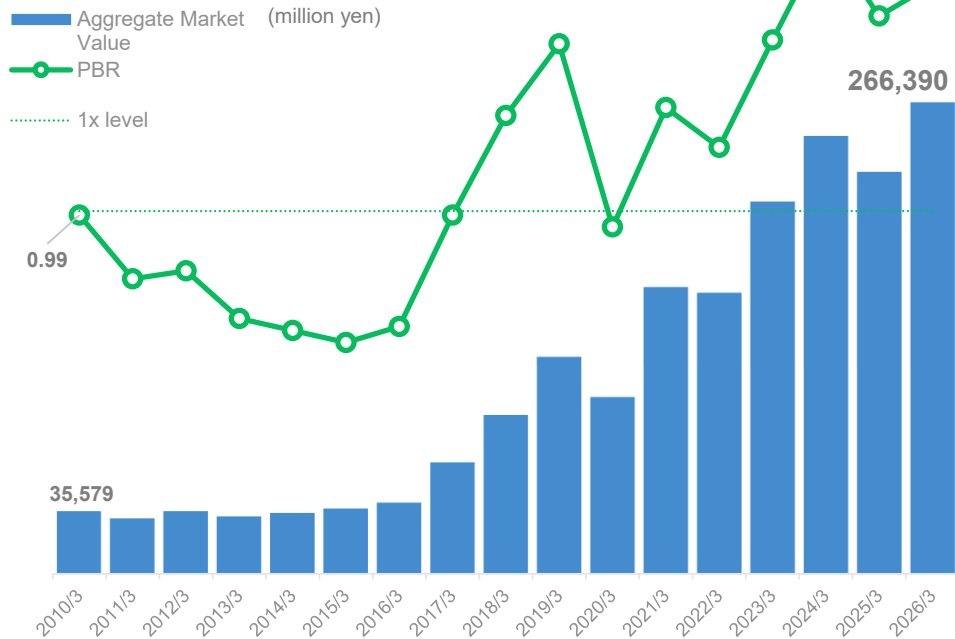
**PER 8.46 times**

**TSR 208.4%**

\*Past 5 years

**Market Value 266,390 million yen**

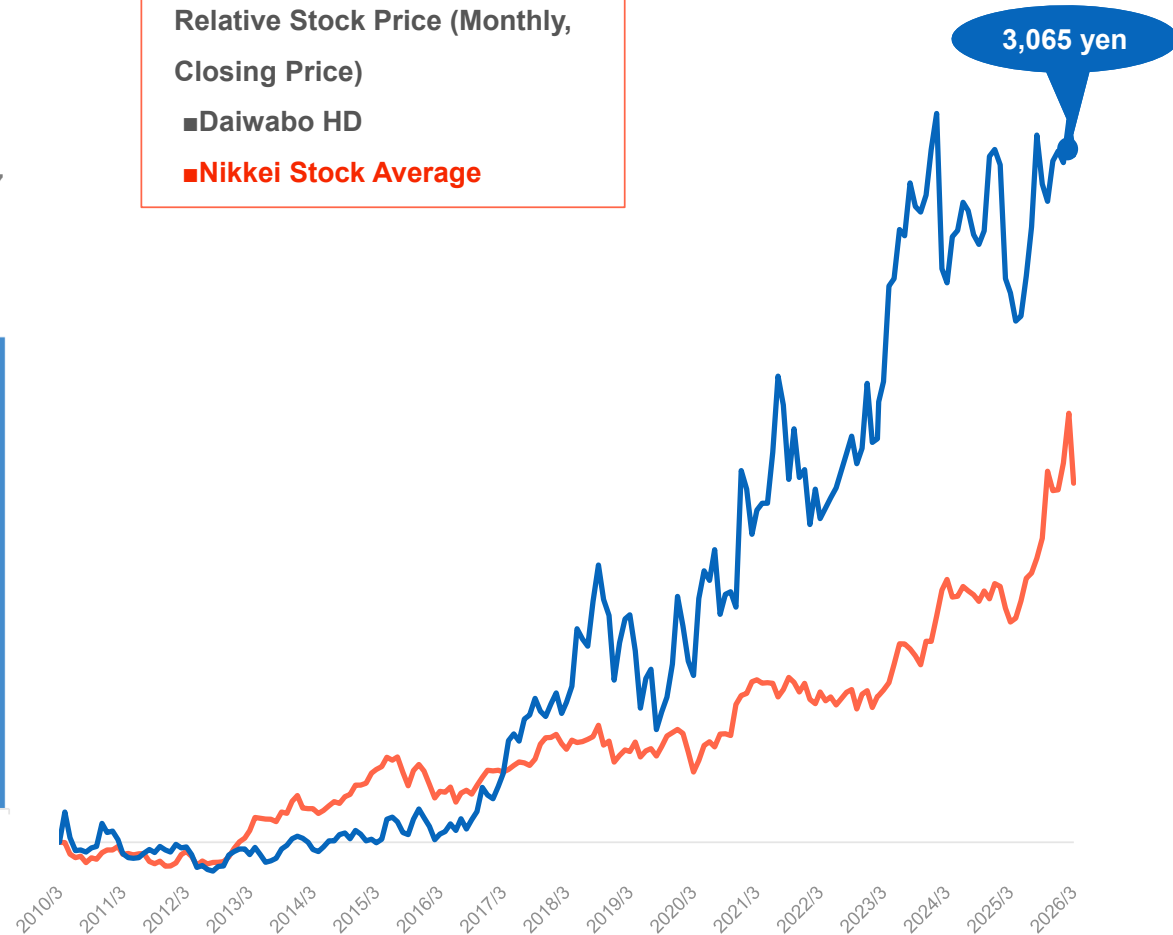
\*Based on closing price of March 2026



**Relative Stock Price (Monthly, Closing Price)**

■ Daiwabo HD  
■ Nikkei Stock Average


As of the end of March 2026



\*The Company's stock price is displayed retroactively to previous years reflecting the reverse stock split (October 1, 2017) and stock split (April 1, 2021)

# About Daiwabo Holdings Co., Ltd.



<b>Head Office</b>	Nakanoshima Festival Tower West, 3-2-4 Nakanoshima, Kita-ku, Osaka 530-0005	
<b>Established</b>	Founded as Daiwa Boseki	April 1, 1941
	Establishment of Daiwabo Holdings Co., Ltd.	July 1, 2009
<b>Consolidated employees</b>	3,072 (as of March 31, 2026)	
<b>Capital</b>	21,696,744,900 yen	
<b>Stock exchange</b>	Listed on the Prime Market of the Tokyo Stock Exchange Stock code <b>3107/</b>	
	Industry: <b>Wholesale</b> <JPX Nikkei Index 400>	
<b>Business profile</b>	<b>IT Infrastructure Distribution Business</b>	Sales of computers, peripherals and software, and logistics services
	[Core company]  Daiwabo Information System Co., Ltd.	Installation and maintenance of and repair services for computer equipment, etc.
	<b>Industrial Machinery Business</b>	Manufacture and sales of machine tools, automatic machinery and casting products
	[Core company]  O.M. Ltd.	



## Daiwabo Holdings Co., Ltd.

<https://www.daiwabo-holdings.com/>



### **The news**

<https://www.daiwabo-holdings.com/ja/news.html>

### **Daiwabo Group List**

<https://www.daiwabo-holdings.com/ja/group.html>

### **History**

<https://www.daiwabo-holdings.com/ja/company/history.html>

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